

# Myanmar

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## Summary of Findings

### 1. Industry participation in policy development

Tobacco Control Board) as stipulated under the National Tobacco Control Law of 2006, has been reconstituted by the Union Government since mid-2019. The Union Minister of Health and Sports (MoHS) is the Chairman, and the Director (NCD) of the Department of Public Health acts as Secretary of the Board. The Board convened once in 2019. Although there are no representatives from tobacco industries on the Board, the government usually considers proposals from tobacco industries in setting or implementing public health policies in relation to tobacco control. In 2020, tobacco companies submitted proposals for tobacco tax reform to the Internal Revenue Department (IRD), Ministry of Planning and Finance (MoPF) and Parliamentarians. These offices acknowledged the receipt of the tobacco industries' proposals and indicated that suggestions will be included in the Union Tax Bill for consideration.

### 2. Industry CSR activities

Despite prohibitions on tobacco industry-sponsored corporate social responsibility (CSR) activities and tobacco advertising, promotions and sponsorships (TAPS) in the Control of Smoking and Consumption of Tobacco Product Law, Japan Tobacco International (JTI)'s project to provide drinking water for refugees in Kayin State is still ongoing.

At the start of the COVID-19 pandemic, tobacco industries had contributed funds to the government for COVID-19 response.

### 3. Benefits to the industry

Pictorial health warning (PHW) implementation appeared on cigarette packs in mid-2020. To date, not all tobacco products carry the required pictures and old images on packs can still be found in the market. No government action was found to have been taken.

The Union Tax Law of 2020 still gave a tax exemption to tobacco industries for cheroots, cigars and raw tobacco if their annual product cost does not exceed MMK 20 million (kyats).

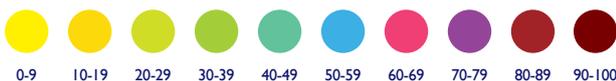
### 4. Unnecessary interaction

There are no publicly available reports of government officials attending social functions of the tobacco industry. However, EUROCHAM Myanmar has an anti-Illicit Trade Group that enlists British American Tobacco (BAT) as a member. The objective of this group is to "coordinate regular consultation meetings between the group and the authorized government officials to develop a shared understanding of challenges and issues." In 2020, EUROCHAM teamed up with TRACIT, a Philip Morris International (PMI)-funded group, to continue addressing illicit trade issues in Myanmar.

### 5. Transparency

There is no mechanism or rule for disclosure of tobacco meetings with the tobacco industry. The MoHS is working on this now.

While the Special Commercial Tax law requires all facilities and distribution chain to register, it does not cover affiliated organizations and individuals acting on the tobacco industry's behalf/lobbyists.



## 6. Conflict of interest

The government does not prohibit contributions from the tobacco industry or any entity working to further its interests.

While there are no publicly available records found, there are retired senior government officials who have joined the tobacco industry.

## 7. Preventive measures

The Ministry of Planning and Finance, Directorate of Investment and Company Administration issued an Anti-corruption Code of Ethics which applies to all private companies and corporate bodies incorporated in Myanmar that make business deals with concerned government organizations, and companies or organizations in the private sector. However, the government does not require the reporting of market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities, nor specific guidelines compliant with the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC) Article 5.3 Guidelines for departments dealing with the tobacco industry such as the Internal Revenue Department for tax collection.

In 2018, Myanmar's Anti-corruption Commission issued a Notification (No. 14/2018) for all businesses to establish a strong business code of ethics to prevent corruption. The following fundamental principles have therefore been identified for private sector organizations to develop a strong business code of ethics and to establish appropriate internal control measures to prevent corruption: (a) Strong, effective policy and support from top-level management to fight corruption; (b) Risk assessment to effectively identify and evaluate exposure to corruption; (c) Enhanced and detailed measures for high-risk and vulnerable areas; (d) Application of anti-corruption measures to business partners; (e) Accurate books and accounting records; (f) Human resource management policies complementary to anti-corruption measures; (g) Establish trustworthy reporting mechanisms to report suspected corrupt behaviours; and (h) Periodic review and evaluation of anti-corruption prevention measures.

## Recommendations

1. Enforcement of CSR and TAPS bans should be upheld in compliance with national laws.
2. The tobacco industry should be penalized for non-compliance with tobacco control laws (e.g., PHWs).
3. To promote transparency, there must be a procedure in place to prevent the tobacco industry and its representatives from misrepresenting its meetings with all government entities and not just limited to the MoHS.
4. To prevent conflicts of interest, retired government/public officials should not be allowed any involvement or to hold any position in tobacco businesses.
5. Strong implementation of a code of conduct compliant with FCTC Article 5.3 Guidelines, as well as a systematic program to raise awareness on Article 5.3, should be in place to guide all government departments, especially those with close dealings with the tobacco industry (e.g., IRD on tax collection). Lastly, the tobacco industry must be required to provide information about its business, including what it spends on marketing and philanthropy.