



Southeast Asia Tobacco Control Alliance

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Government officials should not endorse any event funded by tobacco industry

Bangkok, 4 May 2015: The Southeast Asia Tobacco Control Alliance (SEATCA) is issuing caution to governments in the ASEAN region, particularly departments of Finance and Customs, who are attending the Asia-Pacific Tax Forum to be held in New Delhi 5-7 May. The meeting is facing some criticisms because the organisers, the International Tax and Investment Center, (ITIC) are sponsored, among others, by the top four transnational tobacco companies (PMI, BAT, JTI, ITG). Additionally tobacco executives from these companies sit on ITIC's Board of Directors. This is a problem to participants from countries that are Parties to the tobacco treaty, the WHO Framework Convention on Tobacco Control (FCTC).

The FCTC in Article 5.3 warns governments to protect their public policies from any vested interest of the tobacco industry. To be compliant with FCTC Article 5.3, the Indian Minister of Finance, whom ITIC listed as the Chief Guest of the Asia-Pacific Tax Forum, is not attending the event. His name has been removed from the event website and the programme agenda. See: <http://timesofindia.indiatimes.com/india/Finance-ministry-may-be-urged-to-shun-meet-funded-by-tobacco-companies/articleshow/47116442.cms>

Further, the World Bank has now announced that it is withdrawing its participation and financial support to the event. Please see: <http://timesofindia.indiatimes.com/india/World-Bank-exitsevent-funded-by-tobacco-companies/articleshow/47127313.cms>. The World Bank's decision affirms the concerns around ITIC's intentions and sets a positive precedent. It also strengthens the on-going global efforts to require greater transparency and distancing by international and intergovernmental agencies from tobacco interests.

According to information provided on the ITIC website, it has confirmed participation from six ASEAN countries – Cambodia, Indonesia, Malaysia, Myanmar, the Philippines and Thailand.

All countries in the ASEAN region, with the exception of Indonesia, are parties to the WHO FCTC and obligated to enforce the treaty. Philippines government officials are bound by the DOH-CSC Joint Memorandum Circular 2010-01 that prohibits civil servants, including all legislative staff, from interacting with the tobacco industry except to the extent necessary for its effective regulation, supervision, or control.

In 2012 the ITIC, through its president, Daniel Witt, had been aligned with the tobacco industry in opposing the sin tax reform bills that were being supported by the DOF and DOH. Philippines has successfully implemented the sin tax reform.

“While the ITIC claims to be an independent, non-profit organization, it is in fact a pro-tobacco entity that does the bidding for the tobacco industry,” said Dr Ulysses Dorotheo, FCTC Programme Director of SEATCA. “Countries are better off not attending this event and making themselves vulnerable and running foul of the FCTC.”

The Tax Forum will discuss Goods and Services Tax (GST). GST came into force in Malaysia very recently, 1 April 2015. About two weeks after the GST went into effect, BAT Malaysia [announced](#) that they were reverting to pre-GST prices for their main cigarette brands. BAT



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controls 60 percent of the cigarette market in Malaysia. This means a reduction in cigarette prices and more affordable cigarettes for Malaysians. This move undermines the efforts of the Ministry of Health who are trying to discourage smoking and raise taxes as a tobacco control measure in compliant with the FCTC. The ITIC has discouraged the Malaysian government from increasing excise tax on tobacco claiming big tax increases will fuel smuggling.

The ITIC has released a study on tobacco smuggling in Asia which is more myths than facts because its findings echo tobacco industry positions on tobacco tax. For SEATCA's critique of the report, see <http://seatca.org/asia-11-illicit-tobacco-indicator-2012/> ENDS.