



Pakistan Tobacco Industry Interference Index 2023

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SAMAR and CTC-Pak acknowledges that tobacco control environment may have changed since the collection of data for use in this report. SAMAR and CTC-Pak request any user of this data to inform CTC-Pak for any discrepancy on the following email address info@ctcpak.org

Pakistan Tobacco Industry Interference Index 2023

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The information from this report will form part of the Global Tobacco Industry Interference Index, a global survey of how public health policies are protected from the industry's subversive efforts, and how governments have pushed back against this influence.

The Tobacco Industry Interference Index was initiated by the Southeast Asia Tobacco Control Alliance (SEATCA) as a regional report, and now is part of a publication of the Global Centre for Good Governance in tobacco Control (GGTC).

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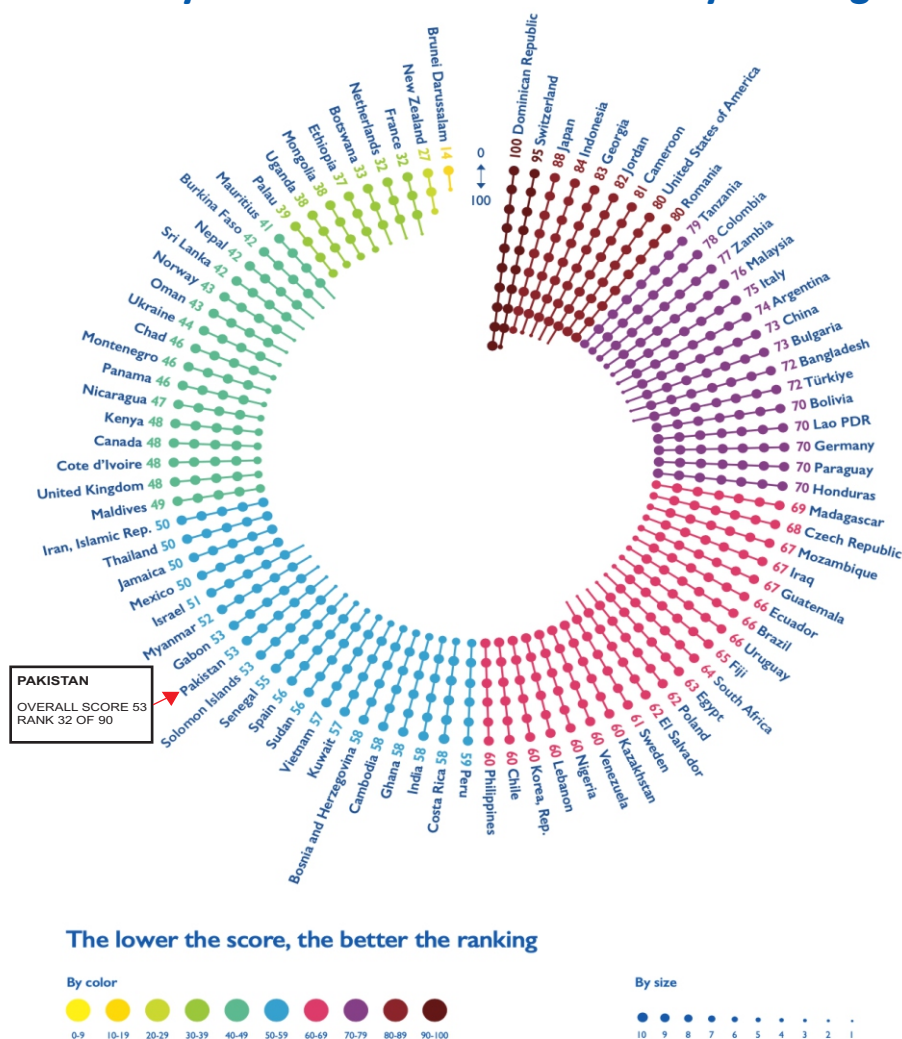
GLOBAL TOBACCO INDUSTRY INTERFERENCE INDEX 2023

The Global Tobacco Industry Interference Index (Global Tobacco Index) enjoins efforts by governments aimed at checking interference by the tobacco industry. The Index encourages governments to implement measures to protect themselves. However, countries that scored well on the Index have prevailed against the tobacco industry by taking effective measures.

This report reveals publicly available information on tobacco industry interference in countries and responses to these interferences by their respective governments. Countries are ranked according to total scores provided by civil society groups. The lower the score, the lower the overall level of interference, which augurs well for the country.

The total score for Pakistan this year is **53** compared to 48 in 2021 and ranked **32** among 90 countries compared to 17 among 80 countries in 2021.

Tobacco Industry Interference overall country ranking



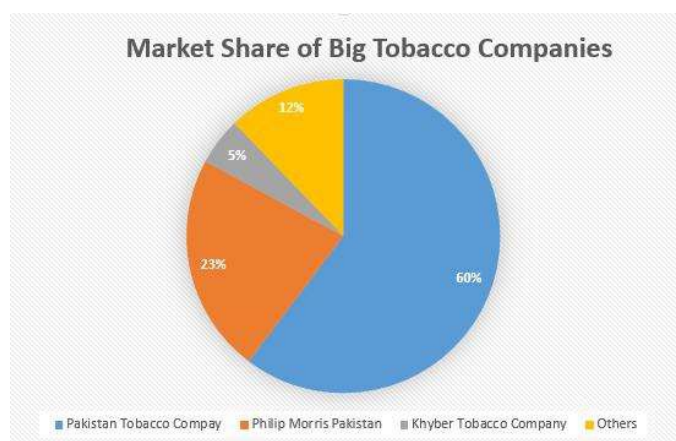
Background and Introduction

In Pakistan, there is widespread use of tobacco in various forms. Approximately 20% of adults are engaged in smoking with a higher percentage of men (32%) than women (6%) being smokers.¹ Smokeless tobacco products, such as paan, gutka, and naswar, are also popular, and approximately 7.7% people use these products. The use of tobacco among the youth between ages (13 to 15) 10.7% use any tobacco product (boys 13.3%; girls 6.6%), 7.2% smoke tobacco, and 5.3% use smokeless tobacco. Among youth who have ever smoked, nearly 40% first tried a cigarette before age 10.²

Unfortunately, more than one in four young individuals between the ages of 13 and 15 are exposed to second-hand smoke in their homes. The use and exposure to tobacco are responsible for 15% of male deaths and 1% of female deaths³, resulting in over 160,000 fatalities annually in Pakistan, according to WHO.⁴

A Statutory Regulatory Order (SRO) regularizing Heated Tobacco Products (HTPs) has been issued in December, 2022. Besides, National Tobacco Control Strategy (NTCS) is being discussed for final approval by the relevant authorities. A number of front groups i.e., Foundation for a Smoke Free World (FSFW), Alternative Research Initiative (ARI), Pakistan Alliance for Nicotine and Tobacco Harm Reduction (PANTHR) Association for Smoking Alternatives in Pakistan (ASAP), Quality Belligerence Pakistan (QBal), and allies have been working for the promotion of tobacco industry's narrative especially regarding its New Tobacco Products (NTPs).

Tobacco Industry (TI) produced 4.75 billion cigarette sticks on average per month during CY21 as compared to 4.11 billion sticks per month during CY20. This increase in production pushing the industry close to a staggering production of 6 billion+ sticks per month. Already in January 2022, the cigarette production had been reported by the Pakistan Bureau of Statistics (PBS) at 5.6 billion sticks, a yearly growth rate of 23 percent.⁵



According to a survey report, Pakistan Tobacco Company (PTC) secures largest market share of 60 percent. Whereas Philip Morris Pakistan's share is 23 percent, Khyber Tobacco Company shares 5 percent and others' hold 12 percent of market share.⁶

Despite its rhetoric of going smoke-free, PTC, (British

1 <https://bit.ly/43s6Y5w>

2 <https://bit.ly/3qCjMYc>

3 <https://bit.ly/3qCjMYc>

4 SPDC, Tobacco Factsheet 2022, <https://bit.ly/3OZLKYN>

5 <https://bit.ly/42roDZI> (BR Research Published March 24, 2022)

6 <https://bit.ly/3CgbeIj>

American Tobacco's (BAT) local subsidiary) re-launched two of its top selling cigarettes brands in 2022.

One of the tactics used by TI is to seek and improve its reputation through Corporate Social Responsibility (CSR) initiatives, even though its operations may cause significant harm to public health and the environment. The tobacco industry joins hands with government departments. As the main producer of tobacco in the country, Khyber Pakhtunkhwa (KPK) province receives a significant amount of attention from the tobacco industry, particularly in terms of their CSR activities. The industry's focus on KPK is likely driven by their desire to maintain good relationships with the local government and communities, as well as to improve their public image.

According to this year's assessment, there is a decline in Pakistan's efforts to implement Article 5.3. The total score for Pakistan this year is **53** compared to **48** points in 2021 and ranked **32** among 90 countries compared to **17** among 80 countries in 2021. The tobacco industry's interference in public policy continues to pose a major obstacle in this regard. In 2022, TI made notable progress in regulating heated tobacco products (HTPs) on one hand. The Prime Minister of Pakistan participated and virtually addressed a TI-sponsored Conference in May 2021. On the other hand, the government of Pakistan has significantly increased the Federal Excise Duty (FED) on cigarettes⁷⁸ and the prices of cigarettes were also doubled⁹ after this move. Despite Pakistan's efforts to uphold Article 5.3, there are still significant challenges in its implementation.

This is the fourth civil society report assessing the implementation of WHO FCTC Article 5.3 in Pakistan. The report is based on a questionnaire developed by the Southeast Asia Tobacco Control Alliance (SEATCA). There are 20 questions based on the Article 5.3 guidelines. Information used in this report is obtained from the public domain only. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country. The report includes information on incidents from April 2021 to March 2023, but also includes prior incidents that still have relevance

⁷ Govt. of Pakistan Notification (Federal Excise) S.R.O.178(1)/2023. <https://bit.ly/3MTvDZB>

⁸ Sohail Sarfraz, Business Recorder, <https://bit.ly/42qhUzi> Published February 15, 2023

⁹ Tobacco Reporter, <https://bit.ly/3CfZx5l> February 22, 2023

Summary Findings

I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

The government of Pakistan observes Article 5.3 of the FCTC by not involving the Tobacco Industry in the development or execution of public health policies. Nevertheless, the government does not accept, support, or endorse any policies or legislation proposed by the Tobacco Industry. The government also does not allow or invite tobacco industry representatives to participate in government bodies that set public health policy. Additionally, the government does not accept any sponsorship from the Tobacco Industry for the delegates for COP.

2 INDUSTRY CSR ACTIVITIES

The Khyber Pakhtunkhwa (KPK) Forest Department, Ministry of Climate Change and District Government Islamabad, collaborate with tobacco industry on various initiatives such as planting saplings and inaugurating water filtration facilities. It is needed to regulate and centralized CSR through legal and constitutional provisions and keep an eye on tobacco industry as it is involved in producing and promoting hazardous products for human health.

3 BENEFITS TO THE INDUSTRY

The government's decision not to change excise rates in the FY 2021-22 budget provided consumer price stability, which helped grow TI's volume and maintain its overall financial position. Meanwhile, the Federal Board of Revenue (FBR) faces a loss of Rs40b due to poor monitoring of the Green Leaves Threshing mechanism, resulting in increased revenue for the tobacco industry.

TI's front groups recommended the regulation of new tobacco products, in their reports in September 2021, Philip Morris Pakistan's Managing Director stated their intention to launch a Harm Tobacco Reduction (HTR) product, subject to a proper regulatory regime. In December 2022, an SRO for the regulation of Heated Tobacco Products (HTPs) was issued. Moreover, the Prime Minister's Advisor on Finance and Revenue blocked a proposal by the Ministry of National Health Services, Regulations & Coordination (MNHSR&C) to impose a health hazard tax on tobacco and sugar-sweetened beverages for at least seven months in 2021.

4 UNNECESSARY INTERACTION

The Prime Minister of Pakistan addressed the "Future of Asia Conference" online, despite initial denial. Federal Minister for Planning, Development and Special Initiatives inaugurated and shared business services setup of British American Tobacco (BAT) Group, the parent company of Pakistan Tobacco Company Limited (PTC). Adviser to Prime Minister on Commerce and Investment hailed the role of tobacco sector Multinational Companies (MNCs) during a meeting with representatives of Tobacco

Companies. Speaker National Assembly showed keen interest to resolve tobacco growers' issues related to purchasing of raw tobacco.

5 TRANSPARENCY

The government does not have any disclosure policy regarding interactions and meetings with tobacco industry affiliated organizations, front groups and individuals acting on their behalf.

6 CONFLICT OF INTEREST

The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions.

7 PREVENTIVE MEASURES

The Companies Ordinance 2017 of Securities & Exchange Commission of Pakistan (SECP) mandates that public companies should disclose their financial data, including production, marketing expenses, revenues, and other financial records. However, Tobacco Control Cell (TCC) developed a National Action Plan¹⁰ on TI interference as a code of conduct but it has not been adopted.

¹⁰ Dr. Ziauddin Islam, The National Action Plan on Tobacco Industry Interference, <https://bit.ly/43MDZj>

Recommendations

I Awareness on Article 5.3 as an obligation

To safeguard tobacco control policies from the influence of the tobacco industry, it is crucial to effectively implement the guidelines and recommendations of WHO FCTC Article 5.3. The concerned government departments must be apprised of counter-strategies to prevent tobacco industry interference through continuous awareness-raising among government agencies and departments. Collaboration between the government and civil society should be fostered to prevent any tobacco industry influence during policy formulation and implementation.

2 Ban on Corporate Social Responsibilities of TI

To ensure compliance with Article 5.3 guidelines, it is imperative to enforce a comprehensive ban on all forms of tobacco-related Corporate Social Responsibility (CSR) activities. The Article 5.3 guidelines suggest that interactions with the tobacco industry should be limited only to the extent necessary for regulation, supervision, and control purposes. Consequently, the tobacco industry must be barred from making any contributions, including political contributions, donations, gifts, technical advice, scholarships, or study visits.

3 Remove benefits to tobacco industry

Tobacco-related incentives must be discontinued by the government and reverse the SRO that regulates Heated Tobacco Products (HTPs). Moreover, the government should apply a ban on new tobacco products. In terms of taxes, government should impose more taxes on tobacco and tobacco-related products, and there is a big room available for increasing taxes on tobacco. The minimum price of lower brand is around Rs. 210. Whereas minimum price of premium brand stands at around Rs. 480. Illegal cigarettes are also available in the market at a very low price of Rs. 70-150 per pack. Government should crack down on these illegal brands. Government should move forward towards plain packaging and reverse the incentives such as duty-free offerings provided to international travelers. Furthermore, the government should refrain from including any tobacco-related incentives in trade agreements, including bilateral ones, and should revise existing trade agreements to eliminate such incentives. In line with the government's continuous efforts towards tobacco control, tobacco-related exports and imports should be subject to significant taxation. Last but not least enforce tobacco control laws in true spirit.

4 Treat State Own Tobacco Enterprises like any other Tobacco Business

WHO FCTC Article 5.3 guidelines clearly states that state-owned tobacco enterprises should be treated no differently from any other tobacco business. State-owned enterprises should not be granted any special incentives, privileges, or exemptions to conduct their business, and should be subject to the same regulations and taxes as other tobacco companies.

5 Ensure Transparency

It is of utmost importance to ensure transparency in all dealings with the tobacco industry. All meetings with the tobacco industry must be recorded, and a formal procedure should be established for their documentation and implementation. The purpose of such documentation is to maintain a record of the interactions and outcomes of meetings to ensure accountability and prevent any potential undue influence by the tobacco industry.

The documentation should include details such as the date and location of the meeting, the participants, the topics discussed, the decisions made, and any commitments or promises made by either party. The documentation should also be made accessible to the public, as it would allow for scrutiny and accountability, and help in preventing any potential conflicts of interest.

Moreover, to further enhance transparency, it is recommended that any conflicts of interest or potential bias among the participants in these meetings be disclosed and addressed before the meetings take place. This would ensure that the outcomes of the meetings are not influenced by any vested interests, and that the interests of public health and tobacco control are protected.

6 Require information from the tobacco industry

To promote accountability and transparency in the tobacco industry, tobacco companies must be required to disclose accurate and transparent information about various aspects of their operations on a regular basis. This includes information about their production, market share, marketing expenses, revenues, and any other activities such as research and philanthropy spending.

7 Require Disclosure

A registry of front groups and the tobacco industry's lobbying and front group expenditures should be required by the government.

Pakistan

Tobacco Industry Interference Index 2023 Results and Findings

	0	1	2	3	4	5
INDICATOR I: Level of Industry Participation in Policy-Development						
1. The government ¹¹ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests. ¹² in setting or implementing public health policies in relation to tobacco control ¹³ (Rec 3.4)		1				
No evidence was found that the government of Pakistan accepted or endorsed any offer of assistance or collaboration from the Tobacco Industry (TI) in the development or execution of public health policies. However, it has been observed that TI tries to influence a few non-health related departments such as Finance, Commerce and Trade to influence policies/matters.						
2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)	0					
No such drafted policies/legislations are accepted, supported or endorsed by the Government.						
3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8)	0					
Government doesn't allow/ invite tobacco industry to sit in Government's bodies that set public health policy.						
4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e., COP 4 & 5, INB 4 5, WG) ¹⁴ (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of '0'	0					

¹¹ The term "government" refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

¹² The term, "tobacco industry" includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

¹³ "Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

¹⁴ Please annex a list since 2009 so that the respondent can quantify the frequency, <https://bit.ly/43GpPt2>

	0	1	2	3	4	5
The government neither nominates nor allows tobacco industry representatives in the delegation to Conference of the Parties (COP) or other subsidiary bodies. Nor any sponsorship or such in any form are accepted from TI for the delegates. ¹⁵						

INDICATOR 2: Industry CSR activities						
5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as “socially responsible” or “sustainable”. For example, environmental programs. (Rec 6.2)						
B. The government (its agencies and officials) receives CSR contributions ¹⁶ (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4) <i>NOTE: exclude enforcement activities as this is covered in another question</i>				3		

Pakistan Tobacco Company (PTC), in collaboration with Ministry of Climate Change and District Government Islamabad, launched aerial seeding of seed balls in Barakahu Forest Reserve in the Margalla Hills. Moreover, PTC initiated free sapling drive in collaboration with National Rural Support Programme to block afforestation in Khyber Pakhtunkhwa (KPK) and Punjab.^{17 18}

PTC and KPK Forest Department have joined hands to plant 30,000 saplings on Hazara Motorway to clean and green the environment. PTC is providing 110,000 free saplings to the KPK Forest Department.^{19,20,21} Furthermore, forest Department of KPK province in collaboration with PTC for the first time threw seed balls in unattended reserve forest of Khanpur at Haripur district.²²

According to PTC’s annual report, it has “worked with multiple Government departments to ensure our value chain sources sustainable wood fuel for tobacco production with 100% traceability.”²³

PTC inaugurates water filtration facilities: in a bid to its vital role as a responsible corporate citizen to provide clean drinking water to the communities, the PTC inaugurated water filtration facilities in Korona Narai and Misri Banda areas of Khyber-Pakhtunkhwa, special assistant to chief minister Khyber-Pakhtunkhwa on industries and commerce inaugurated

¹⁵ WHO Framework Convention on Tobacco Control. FCTC/COP/9/DIV/1 List of participants. 8 Nov 2021 Available at: <https://bit.ly/3oIVrzL>

¹⁶ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

¹⁷ Business Recorder Report <https://bit.ly/43sjiNh> (Published January 1, 2022)

¹⁸ The News International <https://bit.ly/43NUe8O> (Published January 02, 2022)

¹⁹ The News International <https://bit.ly/3NgacDj> (Published August 14, 2022)

²⁰ Business Recorder Report <https://bit.ly/43N3nyM> (Published August 14, 2022)

²¹ The Nation (APP) <https://bit.ly/3NgUxnj> (August 15, 2022)

²² The Nation (APP) <https://bit.ly/3oNGYT5> (September 05, 2021)

²³ Pakistan Tobacco Company. Annual Report 2022. <https://bit.ly/45N5TGR>

the plant in Korona Narai, while the second plant in Misri Banda was inaugurated by member provincial assembly Khyber-Pakhtunkhwa²⁴.

PTC signed a Memorandum of Understanding (MoU) with National University of Science and Technology (NUST), a public academic institution, to collaborate on joint R&D projects focusing on areas of climate change, waste management, and water stewardship. The goal of the MOU was for the NUST, with its premier academic status in the country, to “support and contribute to our (PTC) goal of carbon neutrality”.^{25,26}

CSR programs are used as a tool to advance the tobacco business as socially applicable in Pakistan. The tobacco companies’ CSR exercises have impacted to whitewash its image among Pakistani people. Tobacco and its related businesses are also politically linked and tobacco tycoon have won three elections consecutively in the District Swabi and tobacco businessmen are already on key positions in a regional political party.^{27,28} The industry has used CSR with various charity names to protect and increase its business through gaining political power. Through their CSR exercises, the Pakistani tobacco companies have successfully disregarded the negative effects of tobacco. The real intentions of big CSR projects of the local tobacco companies are beyond the understanding of the common man and society. These CSR activities need to be regulated through legal provisions and the tobacco industry must be monitored for its activities producing and promoting hazardous products for human health.

INDICATOR 3: Benefits to the Tobacco Industry

6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)			2			
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The Federal Board of Revenue (FBR) inaugurated Track and Trace System in October 2021. FBR has made it mandatory that no tobacco product will be allowed to exit from the factory premises without affixation of tax stamp/Unique Identification Marking (UIM) with effect from April 30, 2022. Despite extending the deadline till 20 May 2022, the government further delayed to fully implement the Track and Trace System to April 2023. The Prime Minister of Pakistan directed implementation of Track and Trace System in cigarette manufacturing units during the first week of April 2023.^{29,30}

Tobacco tax Rs390 per Kg on production was denied in senate committee. Some Senators have been found propagating the abolishment of the said tax during their political meetups.³¹

³²According to a leading English daily, cigarette manufacturers asked the government to

²⁴ Recorder Report <https://bit.ly/3oUDfD9> (Published September 14, 2021)

²⁵ Pakistan Tobacco Company. Annual Report 2022. <https://bit.ly/45N5TGR>

²⁶ <https://bit.ly/3oYlgPc>

²⁷ Iqbal, J., Hussain, S., & Khan, K. (2021). The use of Corporate Social Responsibility (CSR) as a political tool: A case study of tobacco industry in Swabi Pakistan. Liberal Arts and Social Sciences International Journal (LASSIJ), 5(1), 497-509.

²⁸ <https://bit.ly/45RQeGd>

²⁹ <https://bit.ly/3J0dPLe> (Pakistan Today April 4, 2023)

³⁰ <https://bit.ly/3MSXljG>

³¹ Roznama Pakistan <https://bit.ly/3Newh5k> (December 24, 2022)

³² Mtv Mardan. Seminar of Tobacco Issues [Video] Youtube: <https://bit.ly/3MSY7CI>

	0	1	2	3	4	5
substantially increase advance tax on processed tobacco from Rs10 to Rs300 per kg to discourage sales by unregistered cigarette brands. ³³ On the other hand, upon significant increase in the Federal Excise Duty (FED) on cigarettes, ^{34,35} the prices of cigarettes were also doubled ³⁶ after this move.						
Tobacco tax is imposed along with other tobacco products on tobacco mixture that is used in HTPs that is Rs.5200 per Kg, moreover, Rs 10,000 per Kg on e-liquid according to the Federal Excise Act 2005 (Page 73) as amended up to 23 rd February, 2023. ³⁷ Experts feel that taxes are too little specifically on e-liquid and tobacco mixture for Heated Tobacco Products and there is a big room available to raise taxes.						
7. The government gives privileges, incentives, tax exemptions or benefits to the tobacco industry (Rec 7.3)						5
According to PTC annual report (p 130): “The Government’s decision not to change excise rates was a positive outcome from FY 2021-22 budget that provided consumer price stability. Stable excise rates helped in growing PTC’s volume and owing to this the Company’s overall financial position has remained healthy”. ³⁸						
FBR faces loss of Rs40b for poor monitoring of Green Leaves Threshing mechanism, resulting in the tobacco industry gaining more revenue due to poor monitoring. ³⁹						
In April 2021, QBAL SMC PVT LTD (Pakistan) completed a study sponsored by the Foundation for a Smoke Free World in which they recommended to regulate new tobacco products, ⁴⁰ meanwhile acting in concert, in September 2021, Philip Morris Pakistan’s Managing Director Roman Yazbeck said to a selected group of journalists that “we intend to launch Harm Tobacco Reduction (HTR) product by investing a substantial amount for the placement of machinery provided that a proper regulatory regime is placed in Pakistan. It will take place over 12 to 18 months period”. ⁴¹ However, within a span of 15 months, an SRO of regulation on Heated Tobacco Products (HTPs) was issued in December 2022.						

³³ Dawn News <https://bit.ly/43iW169> (Published May 31, 2022)

³⁴ Govt. of Pakistan S.R.O. 178(1)/2023. <https://bit.ly/3P0IQcz> (14th February, 2023.)

³⁵ Sohail Sarfraz, Business Recorder, <https://bit.ly/3NgM17X> (Published February 15, 2023)

³⁶ Tobacco Reporter, <https://bit.ly/43sYVoQ> February 22, 2023

³⁷ The Federal Excise Act, 2005 <https://bit.ly/3WTfj6Q> As amended up to 23rd February, 2023

³⁸ Pakistan Tobacco Company, 2021 Annual Report <https://bit.ly/43rraEy>

³⁹ Mehtab Haider The News International <https://bit.ly/43PeYNN> September 07, 2021

⁴⁰ Maria Ahmed Qureshi, Pakistan Economics Report <https://bit.ly/3VVR6lzT> 2021

⁴¹ The News International <https://bit.ly/43J3XgO> September 16, 2021

No. 15/CCLC/2022-N
GOVERNMENT OF PAKISTAN
CABINET SECRETARIAT
CABINET DIVISION
ISLAMABAD
29th November, 2022

Subject: MEETING OF THE CABINET COMMITTEE FOR DISPOSAL OF LEGISLATIVE CASES (CCLC)
A meeting of the Cabinet Committee for Disposal of Legislative Cases (CCLC) will be held on Thursday, the 1st December, 2022 at 1100 hours, in the Committee Room (Room No. 2060, Second Floor), Cabinet Division, Islamabad.

2. The following will be the agenda of the meeting:-

Sl.#	Agenda Items	Ministry /Division
1.	Approval of the Cabinet Committee for disposal of Legislative Cases regarding Amendment in NFC IET Multan Act 2012 (Act No. XIII)	Federal Education & Professional Training Division
2.	Draft Islamabad Capital Territory Prohibition of Corporal Punishment Rules, 2022	do
3.	Amendment in the Loans for Agricultural, Commercial and Industrial Purposes Rules, 1973.	Finance Division
4.	Proposed Amendment in Emigration Rules, 1979.	Overseas Pakistanis and HRD Division
5.	Approval of the SRO on Heated Tobacco Products (HTPs)	National Health Services, Regulations & Coordination Division

3. The Summaries for the above mentioned agenda items were circulated as under:-

Sr.No.	Letter No. & Date	Agenda Item No.
1.	15/CCLC/2022-N, dated 11-11-2022	1 & 2
2.	15/CCLC/2022-N, dated 17-11-2022	3 & 4
3.	15/CCLC/2022-N, dated 25-11-2022	5

(Signature)
(Muhammad Ashfaq)
Deputy Secretary (Cabinet)
Tel: # 011 232488

REGISTERED No. M - 302
L-7646

The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, WEDNESDAY, DECEMBER 28, 2022

PART II
Statutory Notifications (S. R. O.)
GOVERNMENT OF PAKISTAN
**MINISTRY OF NATIONAL HEALTH SERVICES,
REGULATIONS AND COORDINATION**
NOTIFICATION
Islamabad, the 23rd December, 2022

S. R. O. 2304(I)2022.—In exercise of the powers conferred under section 8 of the Cigarettes (Printing of Warning) Ordinance, 1979 (LXXIII of 1979), the Federal Government is pleased to make the following rules namely—

1. **Short title and commencement.**—(1) These rules shall be called the Heated Tobacco Products (Heat-not-burn, Printing of Warning) Rules, 2022-
(2) They shall come into force at once.

2. **Definition.**—
(1) In these Rules, unless the context otherwise requires,—

(5381)
Price: Rs. 6.00
[14079(2022)/Ex.Gaz.]

Prime Minister’s Advisor on Finance and Revenue has reportedly blocked a proposal of Ministry of National Health Services, Regulations & Coordination (MNHSR&C) regarding imposition of health hazard tax on tobacco and sugar-sweetened beverages for at least seven months. The Special Assistant to Prime Minister on MNHSR&C raised the issue of health hazard tax on tobacco and sugar sweetened beverages, pending by the ECC for consideration at the time of budget.^{42,43} Before the budget, MNHSC&R was full of hope regarding the implementation of Health Levy.^{44,45}

The government allows international travelers duty-free import of 200 cigarettes or 50 cigars or 1/2 kilogram of tobacco into the country.⁴⁶

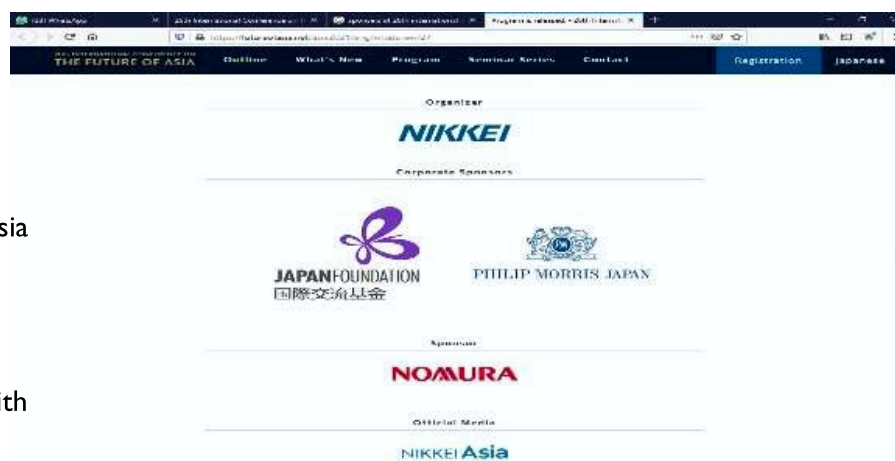
INDICATOR 4: Forms of Unnecessary Interaction

8. Top level government officials (such as President/ Prime Minister or Minister ⁴⁷) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)						5
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⁴² Mushtaq Ghuman Business Recorder, <https://bit.ly/3qtSqUr> November 16, 2021
⁴³ The Express Tribune, <https://bit.ly/3CiptgC> November 24, 2021
⁴⁴ Pakistan Today <https://bit.ly/3WVSboQs> May 12, 2021
⁴⁵ The Express Tribune <https://bit.ly/3CiptgC> November 24, 2021
⁴⁶ <https://bit.ly/3MXA6KU>
⁴⁷ Includes immediate members of the families of the high-level officials

The Prime Minister of Pakistan was scheduled to virtually address the “Future of Asia Conference” which was sponsored by Philip Morris Japan^{48,49} along with other heads of state. However,

the link was suspended, and a new link was created and Philips Morris Japan’s name was removed⁵⁰ from the list of corporate sponsors.⁵¹



The Prime Minister of Pakistan also denied being part of the conference.⁵²

The British American Tobacco (BAT) Group, the parent company of Pakistan Tobacco Company Limited (PTC) has invested in a shared business services setup in Pakistan and inaugurated its Islamabad office in September 2021. Federal Minister for Planning, Development and Special Initiatives, graced the occasion as chief guest. At the occasion, Ali Akbar, MD & CEO PTC, Shannon McInnes, Area Head of Marketing, Middle East & South Asia and Khurram Shahzad, Head of Global Business Services, were also present.^{53,54,55}



Adviser to Prime Minister on Commerce and Investment praised the role of tobacco sector Multinational Companies (MNCs) for their significant contributions for enhancing Pakistan’s export. The Secretary Board of Investment (BOI) also participated in the meeting.^{56,57,58}

⁴⁸ Imran Kahn. PM Imran Khan's Virtual Address at Nikkei's 26th Conference on Future of Asia [Video] Youtube: <https://bit.ly/3NeHIKk>

⁴⁹ Maqbool Malik, The Nation, <https://bit.ly/3MTws4D> May 22, 2021

⁵⁰ <https://bit.ly/3CcNkOZ>

⁵¹ 26th International Conference on the Future of Asia, Shaping the post-COVID era: Asia's role in the global recovery <https://bit.ly/3oLZj2X>

⁵² Dawn, <https://bit.ly/3CiBQcx> Published May 17, 2021

⁵³ Daily Times, <https://bit.ly/43tPQfl> OCTOBER 1, 2021

⁵⁴ Pakistan Observer, <https://bit.ly/43KfsVi> September 30, 2021

⁵⁵ Business Recorder, <https://bit.ly/45ReYOS> Published September 30, 2021

⁵⁶ <https://bit.ly/3Cg2DX2>

⁵⁷ Digital Associated Press of Pakistan, <https://bit.ly/3Plowkj> 11 Oct 2021

⁵⁸ The Nation <https://bit.ly/3WRRjT> October 12, 2021

							0	1	2	3	4	5			
<p>Speaker National Assembly of Pakistan took notice of tobacco growers' protests and raised their issue on the same day with the Finance Minister during a meeting, he also called tobacco companies representatives of national and multinational campiness while requesting him to increase the points of purchase centers and payment to tobacco growers. The speaker also wanted an amendment Pakistan Tobacco Board's (PTB) law.^{59, 60,61,62}</p>															
<p>9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)</p>							0								
<p>There is no official record that the government accepted offers of assistance from the TI on enforcement such conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors during the reporting period.</p>															
<p>10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests. (Rec 3.1) <i>NOTE: This must not involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i></p>									2						
<p>The government does not accept, support, endorse or enter into partnerships or agreements with the Tobacco Industry. According to S.R.O. 170(I)/2022, Pakistan Tobacco Board (PTB) was reconstituted which consists of members from government department along with a member from Cigarettes Manufacturing Association (CMA) and representative of Pakistan Tobacco Company (PTC) and Philip Morris Pakistan Limited.⁶³</p> <p>Joint venture was launched for better Tobacco Crop by PTB and University of Engineering and Technology (UET) Peshawar.^{64,65,66} PTB is a state-owned department working to regulate, control and promote the export of tobacco, tobacco products and to fix grading standards. It also assists conducting research with tobacco industry, development of the new tobacco growing areas, establishment of model farms improving tobacco production, collect statistics on any matter relating to tobacco and tobacco industry, and perform such other function as the Federal Government may, from time to time, direct.⁶⁷</p>															

⁵⁹ Jhang News, <https://bit.ly/3Cg9QXh> 11 August, 2021

⁶⁰ Mashraq News, <https://bit.ly/3MU2jSF> 6 Jun. 2023

⁶¹ National Assembly of Pakistan, Press Release, <https://bit.ly/3NiER2Q> 12 August 2021

⁶² Urdu Point, <https://bit.ly/3WY5XiU>

⁶³ Tobacco Export Data 2021-22 <https://bit.ly/43S5tNT>

⁶⁴ Tobacco Export Data 2021-22 <https://bit.ly/43S5tNT>

⁶⁵ Tobacco Export Data 2021-22 <https://bit.ly/43S5tNT>

⁶⁶ Tobacco Export Data 2021-22 <https://bit.ly/43S5tNT>

⁶⁷ <https://bit.ly/43S5tNT>

	0	1	2	3	4	5
Export data of tobacco & cigarettes for various companies shows that there is a huge benefit for tobacco companies with regards to export, during 2020-21, \$US 52054354 and 2021-22, \$US 77337191 worth tobacco and cigarettes were exported as per reported on website of PTB. ⁶⁸						
INDICATOR 5: Transparency						
11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)				3		
The Government does not have any disclosure policy yet. Tobacco Control Cell (TCC) developed a plan regarding disclosing meetings/interactions with the TI, which is yet to be approved and adopted. ⁶⁹						
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)						5
The Government does not have any process of disclosure of affiliated tobacco organizations and individual acting on their behalf including lobbyists. According to Tobacco Control Cell (TCC), there is no register for registering tobacco industry, TI entities, affiliated organizations, and individuals acting on their behalf.						
INDICATOR 6: Conflict of Interest						
13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11) / Never 5 Yes						5
The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions.						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)					4	
Mr. Zafar Mahmood has served the Government of Pakistan for 38 years in multiple roles including Secretary Textile, Secretary Industries, Secretary Water & Power, Secretary Petroleum & Natural Resources, Secretary Commerce and Secretary Cabinet. He has also served as Chairman, Punjab Public Service Commission, Consul General Istanbul, Vice Chairman Export Promotion Bureau, Secretary Punjab Education Schools. His last						

⁶⁸Tobacco Export Data 2021-22 <https://bit.ly/43S5tNT>

⁶⁹ Dr. Ziauddin Islam, The National Action Plan on Tobacco Industry Interference, <https://bit.ly/3NsTp0d>

	0	1	2	3	4	5
assignment was Chairman WAPDA. He joined the PTC Board in 2016. ⁷⁰						
Lt. General (Retd) Najib Ullah Khan He served in Pakistan Army for 35 years. He served as the Quarter Master General and Engineer in Chief, Director General, Frontier Works Organization. ⁷¹						
Mr. Mohammad Riaz Khan currently serves as an Independent Director for PTC. He served as the Secretary/ Additional Deputy Commissioner Budget in 1981. He was the Commercial and Economic Counselor in Paris and Counsel General, Turkey for Pakistan. He served as DG Social Sector at the Prime Minister’s Secretariat, DG Customs for 4 years and Director at the National Assembly of Pakistan. He was appointed to the role of Director, State Bank of Pakistan (SBP) in 2016. During his tenure at SBP, he also served as a Member, Monetary Policy Committee of Pakistan. Mr. Riaz has served the Government of Pakistan for over 37 years. ⁷²						
Kamran Y. Mirza (Philip Morris Pakistan) Independent Director and Chairman Mr. Mirza held the position of Chairman Export Processing Zones Authority from February, 2007 to March, 2009. He served as Director on the Boards of State Bank of Pakistan (SBP), Pakistan State Oil (PSO), Pakistan Steel (PS), and National Bank of Pakistan (NBP) ⁷³ Mr. Mirza holds the position of Chairman-Planning Commission at Government of Pakistan. ⁷⁴⁷⁵						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)		1				
No current government officials are holding any positions in the tobacco business. However, there is no restriction on relative of any government official to hold position in any private, corporate, business, trade etc., organizations including the tobacco industry.						
INDICATOR 7: Preventive Measures						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)						5
There is no disclosure policy yet regarding tobacco control.						
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2); 1 for whole of government code; 2 for Yes but partial if only MOH				3		

⁷⁰ Pakistan Tobacco Company, <https://bit.ly/42wvbGi>

⁷¹ Pakistan Tobacco Company, <https://bit.ly/42wvbGi>

⁷² Pakistan Tobacco Company, <https://bit.ly/42wvbGi>

⁷³ Board of Philip Morris (Pakistan) Limited, <https://bit.ly/42qOlGR>

⁷⁴ Tobacco Export Data 2021-22 <https://bit.ly/43S5tNT>

⁷⁵ Tobacco Export Data 2021-22 <https://bit.ly/43S5tNT>

	0	1	2	3	4	5
Tobacco Control Cell (TCC) developed National Action Plan on TI Interference as a code of conduct. However, this has not been implemented yet. ⁷⁶ Former TCC focal person prepared this NAP.						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)			2			
Despite the requirement set by the government for all corporations, including the tobacco industry, to provide information on their tobacco-related activities such as production, marketing expenses, revenues, lobbying, philanthropy, and political contributions etc. The Companies Ordinance 2017 of Securities & Exchange Commission of Pakistan (SECP) mandates that public companies should disclose their financial data, including production, marketing expenses, revenues, and other financial records. ^{77,78} However, this information has not been accessed and utilized to regulate the tobacco industry.						
19. The government has a program / system/ plan to consistently ⁷⁹ raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)			2			
The Ministry of National Health Services Regulations and Coordination (MNHRC) consistently raises awareness within its and other government departments. The Ministry publishes ICE material for awareness purposes. After the success of Tobacco Smokefree Capital Project here , government of Pakistan is striving to replicate this success in other districts of Pakistan in collaboration with district governments.						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)						5
No such policy exists. The government follows the generic guidelines provided by the FCTC that disallow the acceptance of all forms of contributions/gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives.						
TOTAL SCORE				53		

⁷⁶ Dr. Ziauddin Islam, The National Action Plan on Tobacco Industry Interference, <https://bit.ly/3NsTp0d>

⁷⁷ Section 237 of Securities and Exchange Commission of Pakistan, <https://bit.ly/3NigPVD>

⁷⁸ Acts, Ordinances, President's Orders and Regulations NATIONAL ASSEMBLY SECRETARIAT Islamabad, <https://bit.ly/43OcZt2> 30th May, 2017

⁷⁹ For purposes of this question, "consistently" means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.

Annex A: Sources of Information

Top Companies		Percent age	Others		Percent age
	Brands			Brands	
Pakistan Tobacco Company (PTC) [Local subsidiary of British American Tobacco]	Capstan	33.30%	Other Brands	Cafe	1.40%
	Gold Leaf	15.80%		Hiway	1.10%
	Gold Flake	7.50%		Canton	1.00%
	Dunhill	2.60%		Pine	0.70%
	Embassy	0.60%		Press	0.70%
	Benson & Hedges	0.50%		Classic	0.60%
	Market Share	60.30%		Captan	0.60%
Philip Morris Pakistan	Morven	14.40%		Milano	0.30%
	Red & White	6.40%		Market Share	6.40%
	Marlboro	0.90%		Less Than 0.3%	Others
	K-2	0.90%			
	Market Share	22.60%			
Khyber Tobacco Company	Kisan	4.9%			
			Total	100	

Source: <https://bit.ly/3Cgbeji>

Annex B: Sources of Information

	OTHER TOBACCO COMPANIES/ DISTRIBUTORS	BRANDS	SOURCE
1	Universal Tobacco Company	Café, County Club, Ranger More One, Armee	https://download.l.fbr.gov.pk/Docs/20221181911559553Brands_list.pdf
2	International Cigarette Industries	President, Mark-9 PIA, Spotlit Wonder Classic, Burj President Gold, President Silver, President Light President Classic Blue Diamond, Aroma Janson's International Wonder, Party Vigo, Pine Gold, Any Time Billion	https://download.l.fbr.gov.pk/Docs/20221181911559553Brands_list.pdf
3	Universal Tobacco Company	County Club, Ranger More One, Armee Café	https://download.l.fbr.gov.pk/Docs/20221181911559553Brands_list.pdf
4	Souvenir Tobacco Company	Melburn KSF, Allwin Classic KSF, Melburn Gold KSF Badshah KSF, Mera Sultan KSF, Sindbad KSF Bonus KSF, Decent Royal KSF, Melburn Plus KSF, Melody KSG, Melburn Galaxy KSF, Lord One KSF Lord One Light KSF	https://download.l.fbr.gov.pk/Docs/20221181911559553Brands_list.pdf
5	Royal Tobacco Company	Champion International SMS, R 6 Champion Lights, Minar	https://download.l.fbr.gov.pk/Docs/20221181911559553Brands_list.pdf
6	Indus Tobacco Company	Best, Kick, Wins, Golden Bridge, Cadet, Crown, Hera, Swiss, Jeep, Red Shine PILOT	https://download.l.fbr.gov.pk/Docs/20221181911559553Brands_list.pdf
7	Sarhad Cigarette Industries	Style HL, Boss SC Channel-5 HL, S. Gold HL Omega HL, Boss HL Relax HL Globe HL, Canton HL Euro HL, Captain Gold HL Manhattan HL, Big Boss HL Dollar HL	https://download.l.fbr.gov.pk/Docs/20221181911559553Brands_list.pdf

	TOP MEDIA/ NEWSPAPERS	URL
1	Daily The Dawn	https://www.dawn.com/
2	The News International	https://www.thenews.com.pk/
3	Express Tribune	https://tribune.com.pk/
4	The Nation	https://www.nation.com.pk/
5	Pakistan Today	https://www.pakistantoday.com.pk/
6	Daily Times	https://dailytimes.com.pk/
7	Business Recorder	https://www.brecorder.com/
8	Associated Press of Pakistan (APP)	https://www.app.com.pk/
9	Daily Express	https://www.express.com.pk/
10	Daily Jang	https://jang.com.pk/
11	Urdu Point	https://www.urdupoint.com/
12	Bol News	https://www.bolnews.com/

	MAIN TOBACCO INDUSTRY ALLIES/ FRONT GROUPS	TYPE (FRONT GROUP, LOBBY GROUP, INDIVIDUAL)	SOURCE
1	ALTERNATIVE RESEARCH INITIATIVE (ARI)	Front Group	Funded ⁸⁰ by Foundation for Smoke Free World (FSFW) a front group of Philip Morris International.
2	Pakistan Alliance for Nicotine and Tobacco Harm Reduction (PANTHR)	Front Group	An Alliance founded by ARI
3	Quality Belligerence Pakistan (QBAL)	Front Group	Funded ⁸¹ by Foundation for Smoke Free World (FSFW) a front group of Philip Morris International.
4	Cyntax Health Projects PVT LTD (Pakistan)	Front Group	Funded ⁸² by Foundation for Smoke Free World (FSFW) a front group of Philip Morris International.
5	Innovative Development Solutions (Pakistan)	Front Group	Funded ⁸³ by Foundation for Smoke Free World (FSFW) a front group of Philip Morris International.
6	Stop Illegal Trade.	Front Group	Funded ⁸⁴ by Philip Morris Pakistan.
7	Behtr Pakistan	Front Group	Operating on the behalf of PTC

⁸⁰ Tobacco Industry Front Group, <https://bit.ly/3J2l4Qj>

⁸¹ Tobacco Industry Front Group, <https://bit.ly/3oPyvid>

⁸² Tobacco Industry Front Group, <https://tinyurl.com/svf9vnru>

⁸³ Tobacco Industry Front Group, <https://tinyurl.com/3zchrFu5>

⁸⁴ Tobacco Industry Front Group, <https://tinyurl.com/3vp9n4ch>



SOCIETY FOR ALTERNATIVE MEDIA AND RESEARCH (SAMAR)

SAMAR aims at strengthening the development and implementation of policies based on the provisions of Framework Convention for Tobacco Control (FCTC) through advocacy campaigns.

The Coalition for Tobacco Control – Pakistan (CTC-Pak) of SAMAR has been advocating for stronger measures for tobacco control by the translation and adaptation of FCTC provisions into national tobacco control laws as ratified by the Government of Pakistan.

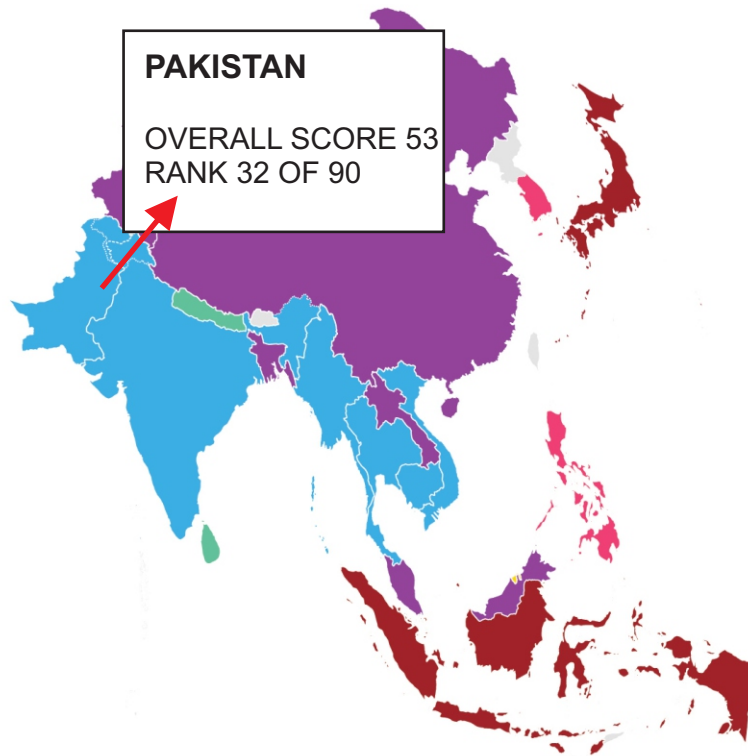
There is a strong need to keep the issue of tobacco control on the agenda of the policymakers. The prevalence of smoking in youth as well as adults is high in Pakistan and the loopholes in the existing laws provide an environment for the industry to exploit TC laws especially with respect to Article 5.3 in Pakistan.

With support from Bloomberg Global Initiative for Tobacco Control, CTC-Pak through its coalition partners continues monitoring the implementation of the tobacco control status in Pakistan.

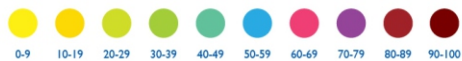
Pakistan Tobacco Industry Interference Index 2023

Asia region

Rank	Country	Score
1	Brunei Darussalam	14
7	Mongolia	38
11	Nepal	42
11	Sri Lanka	42
25	Maldives	49
26	Thailand	50
31	Myanmar	52
32	Pakistan	53
38	Vietnam	57
40	Cambodia	58
40	India	58
46	Philippines	60
46	Korea, Rep.	60
67	Lao PDR	70
72	Bangladesh	72
74	China	73
78	Malaysia	76
87	Indonesia	84
88	Japan	88



The lower the score, the better the ranking



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