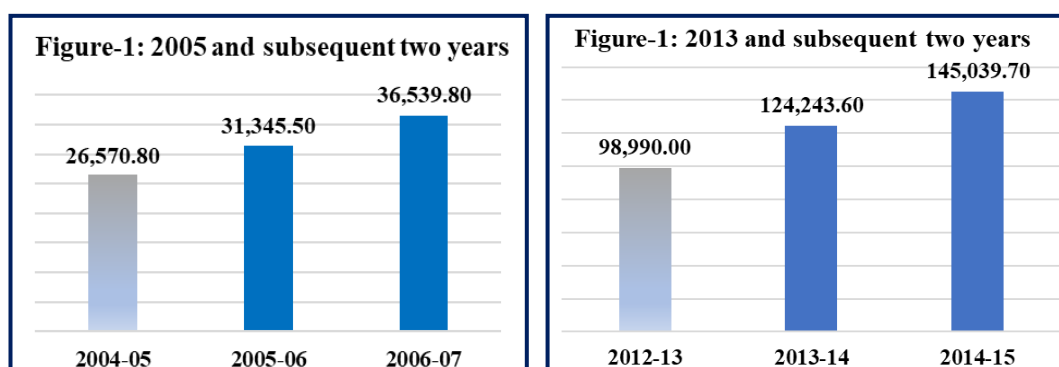


Revenue Risk in Law Amendment: Myth vs. Reality

To safeguard public health, the Ministry of Health and Family Welfare (MoHFW) has recently taken the initiative to amend the tobacco control law. Very recently, the draft of the amendment proposal has been sent to the Cabinet Division. However, two of the largest cigarette companies in the country, British American Tobacco Bangladesh (BATB) and Japan Tobacco International (JTI) have been opposing the initiative. The two companies have recently sent letters addressed to the Hon. Advisors of the Ministry of Finance and the Ministry of Law where they claimed that the amendment, once finalized and adopted, would cause the government to lose a massive amount in revenue earnings. However, the reality is quite the opposite as information provided by the NBR shows that following the passage of the first tobacco control law in 2005, revenue earning from cigarette sector increased by 17.97 percent (4774.70 million BDT) and 37.52 percent (9969 million BDT) in FY 2005-06 and FY 2006-07 respectively (Figure-1). Similarly, following the 2013 amendment of the tobacco control law, the cigarette sector generated additional revenue of 25,253.60 million BDT (25.51 percent jump) and 46,049.70 million BDT (46.52 percent jump) in FY 2013-14 and FY 2014-15 respectively (Figure -2). So, it is quite evident from NBR data that amendment of tobacco control law has no real impact on revenue loss from tobacco sector. In essence, such claims are mere fear-mongering tactics used by the tobacco companies to mislead the policymakers.

Revenues from cigarette sector after passage of Tobacco Control (TC) law in 2005 and amendment of TC law in 2013 (in million, BDT)



The Objectives and Proposals of the Amendment:

To safeguard people from avoidable deaths, diseases and disabilities caused by tobacco.

- **To protect non-smokers from second-hand smoke related health hazard**
 - *Proposal:*
 - Ensuring 100 percent smoke-free environment at all public places, workplaces and public transport by banning Designated Smoking Areas (DSAs).
- **To protect the adolescents and the youth from the harms of tobacco use by preventing tobacco use initiation**
 - *Proposal:*
 - Total ban on advertisement and promotion of tobacco products (i.e., product display at points-of-sale, tobacco companies' CSR programs, sale of tobacco products near educational institutions, hospitals and children's parks, mobile sale of tobacco products)
 - Total ban on the import, manufacturing and sale of e-cigarettes, heated tobacco products, and all other emerging tobacco products (ETPs)
 - Total ban on retail or loose sale of tobacco products.
 - Increasing the area allotted for graphic health warning (GHW) on tobacco packs and introducing standard packaging.

The Ministry of Health and Family Welfare has taken the initiative to strengthen the existing tobacco control law with a view to protecting the non-smokers from the harms of second-hand smoke and safeguarding our youth from the poisonous clutch of tobacco addiction. So, the policymakers must not allow themselves to be derailed by the concerted disinformation campaign of tobacco companies and ensure rapid passage of the law.



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