

## Tobacco companies violate tobacco control law in Lao PDR



### What does the law require?

The Pictorial Health Warnings (PHWs) Regulation issued by the Ministry of Health in **May 2016** requires all tobacco companies to print **75% health warnings** on cigarette packs to educate smokers on the harms of smoking.

### Why are PHWs important?

PHWs are easy to understand and are vital to educate smokers and the public on the harms caused by tobacco use, thereby, help motivate quit attempts and discourage Lao PDR's vulnerable groups, particularly the poor and the youth, from smoking. PHWs are also remarkably cost-effective communication channels, especially among the low literacy population.

### Implementation delayed to accommodate requests of the tobacco industry



### Tobacco companies disregarding the law

**Lao Tobacco Company Ltd.** (a subsidiary of Imperial Brands, a British multinational tobacco company) and **Lao-China Hongta Good Luck Company Ltd.** are **violating** the law.



Based on monitoring done by SEATCA after 1 January 2018, popular and most widely sold cigarette brands, 'A Deng' (from Lao Tobacco Company Ltd) and 'Dok Mai Deng' (from Lao-China Hongta Good Luck Company Ltd.) still don't carry the required health warnings even after being granted **three extensions** of the implementation deadline.

### Best Practice of Compliance in the ASEAN

Country	Compliance Period
Thailand	3 - 6 months
Brunei	Less than 6 months
Myanmar	6 months
Malaysia	Less than 7 months

These countries gave tobacco companies only **three to six months** to comply with their PHWs regulation.

### What is the situation in Lao PDR?

More than **73,000** adolescent boys and half of all men smoke in Laos. About 28% of the population lives below the poverty line, with one third of the population living on **10,400 LAK (US\$ 1.25)** a day.

A *Deng* is priced so cheap that it costs just **LAK 3,000 (US\$ 0.36)** for a soft pack which is affordable to the youth and the poor.

This means money for basic household expenses is spent on tobacco, and breadwinners are at high risk of financial ruin from tobacco-caused diseases and death. About **6,200** Lao people die from tobacco-related diseases every year.

### How else is Imperial exploiting Lao PDR?

This violation is on top of an exploitative **25-year contract** with the Lao government where Imperial/LTL gains by paying extremely low preferential taxes. Imperial is under the notion that this deal has helped generate a few hundred jobs, but it ignores the fact that through this lop-sided contract the Lao government has already lost about **US\$ 100 million** in tax revenues since 2001 and that more than six thousand Lao people lose their lives from tobacco-related diseases annually.

Almost one quarter of the Lao government's total health budget is spent treating tobacco-related diseases. The **US\$ 100 million** in taxes are a huge lost opportunity for the Lao people, equivalent to about 30 new hospitals, or 600 new schools, or improvement of more than 12,000 km of road.

### Immediate action must be taken

- 1. Imperial-controlled Lao Tobacco Company Ltd. and Lao-China Hongta Good Luck Company Ltd. must comply with the PHWs Regulation immediately.**
- 2. Imperial must terminate the unfair Investment License Agreement on tobacco tax with the Lao government.**