

# A Development of Alcohol Industry Interference Index :lessons learned from FCTC

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WPRO Training for leadership and advocacy teams to reduce alcohol harm in young people  
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## Article 5 General obligations

1. Each Party shall develop, implement, periodically update and review comprehensive multisectoral national tobacco control strategies, plans and programmes in accordance with this Convention and the protocols to which it is a Party.
2. Towards this end, each Party shall, in accordance with its capabilities:
  - (a) establish or reinforce and finance a national coordinating mechanism or focal points for tobacco control; and
  - (b) adopt and implement effective legislative, executive, administrative and/or other measures and cooperate, as appropriate, with other Parties in developing appropriate policies for preventing and reducing tobacco consumption, nicotine addiction and exposure to tobacco smoke.
3. In setting and implementing their public health policies with respect to tobacco control, Parties shall act to protect these policies from commercial and other vested interests of the tobacco industry in accordance with national law.
4. The Parties shall cooperate in the formulation of proposed measures, procedures and guidelines for the implementation of the Convention and the protocols to which they are Parties.
5. The Parties shall cooperate, as appropriate, with competent international and regional intergovernmental organizations and other bodies to achieve the objectives of the Convention and the protocols to which they are Parties.
6. The Parties shall, within means and resources at their disposal, cooperate to raise financial resources for effective implementation of the Convention through bilateral and multilateral funding mechanisms.

## 8 Practical steps for implementing the Article 5.3 Guidelines

### 1. Vision-setting: to develop the vision statement

### 2. Planning

- a) Know who represents **the tobacco industry** in the country
  - a.1 Actors in the international & national tobacco production chain
  - a.2 Tobacco industry allies
- b) Know what **the industry** does
  - b.1 Where to start searching
  - b.2 What the search should cover
- c) **Identify tobacco control partners & allies**
- d) Know **the government structures** that address areas of interest to the tobacco industry

### 3. Organizing executive action

- a) Establish legal mechanisms to coordinate Article 5.3 implementation and support tobacco industry monitoring
  - a.1 Disclosure of information and transparency
- b) Coordinate Article 5.3 implementation within the Government and with civil society & the public

#### TECHNICAL RESOURCE

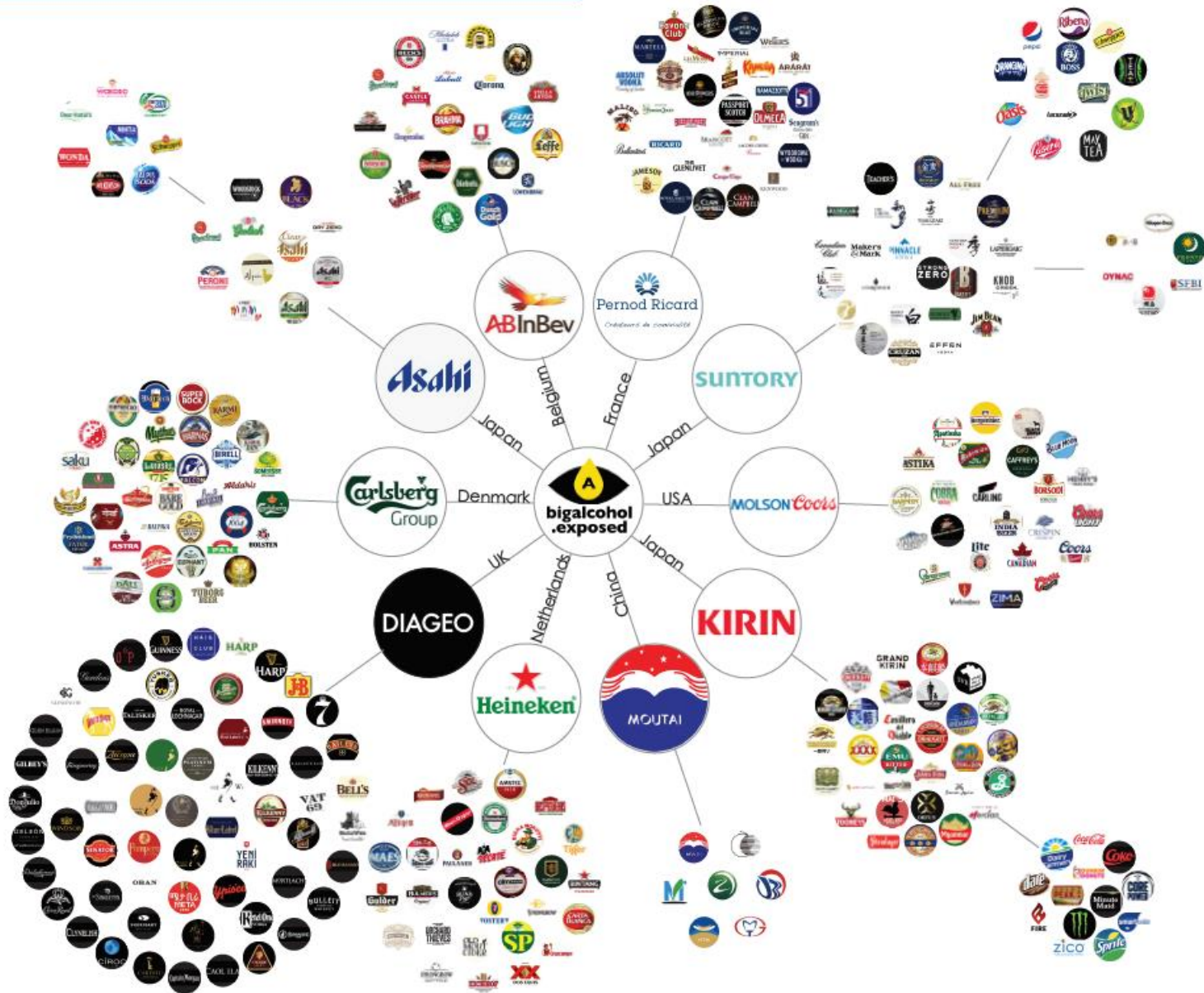
FOR COUNTRY IMPLEMENTATION  
OF WHO FRAMEWORK CONVENTION ON  
TOBACCO CONTROL **ARTICLE 5.3**

on the protection of public health policies  
with respect to tobacco control from  
commercial and other vested  
interests of the tobacco industry

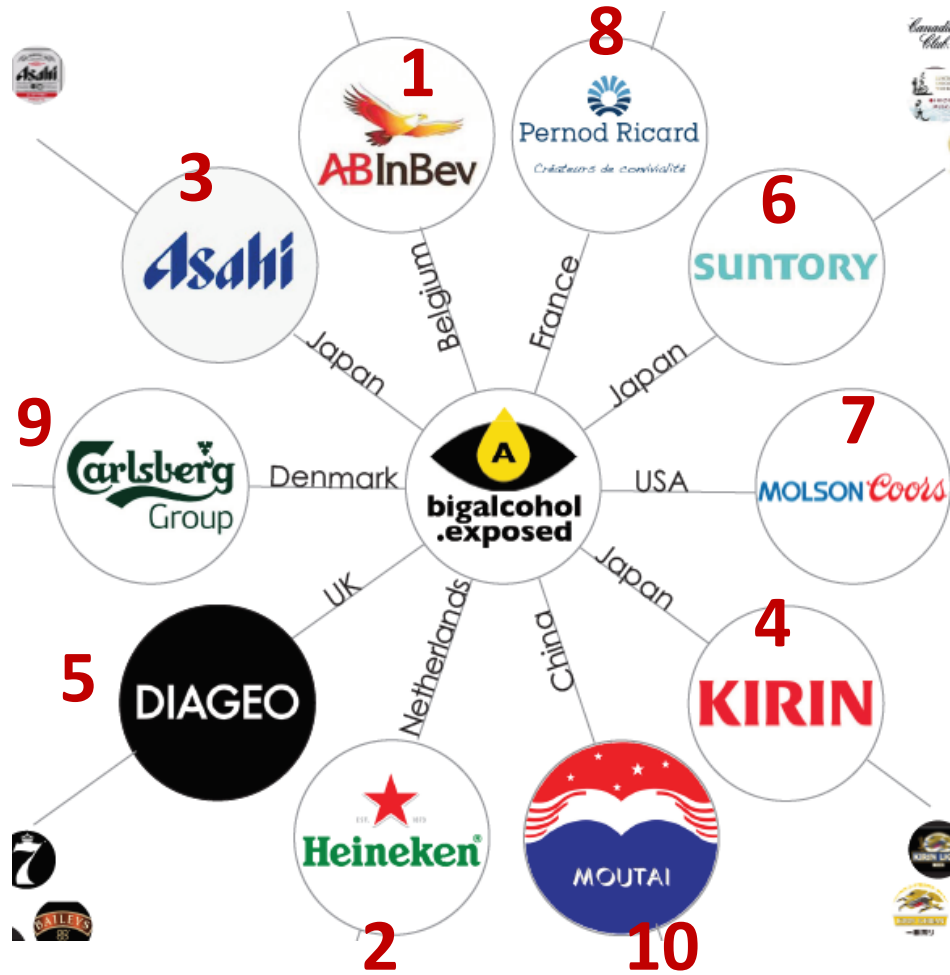




# 10 LARGEST ALCOHOL PRODUCERS IN THE WORLD



The 10 largest alcoholic beverages companies worldwide, ranked according to total annual sales (domestically and internationally), as of December 2018. Company sales may include products other than alcoholic beverages.



1. Anheuser-Busch InBev US\$56.4 billion (up 23.7%)
2. Heineken Holding \$24.7 billion (up 7.4%)
3. Asahi Group Holdings \$19.4 billion (up 23.6%)
4. Kirin Holdings \$16.6 billion (down - 13.1%)
5. Diageo \$15.7 billion (up 3.3%)
6. Suntory Holdings \$11 billion (up 21.3%)
7. Molson Coors Brewing \$10.9 billion (up 122.4%)
8. Pernod Ricard \$10.2 billion (up 5.2%)
9. Carlsberg \$9.4 billion (up 1.1%)
10. Kweichow Moutai \$8.5 billion (up 70%)

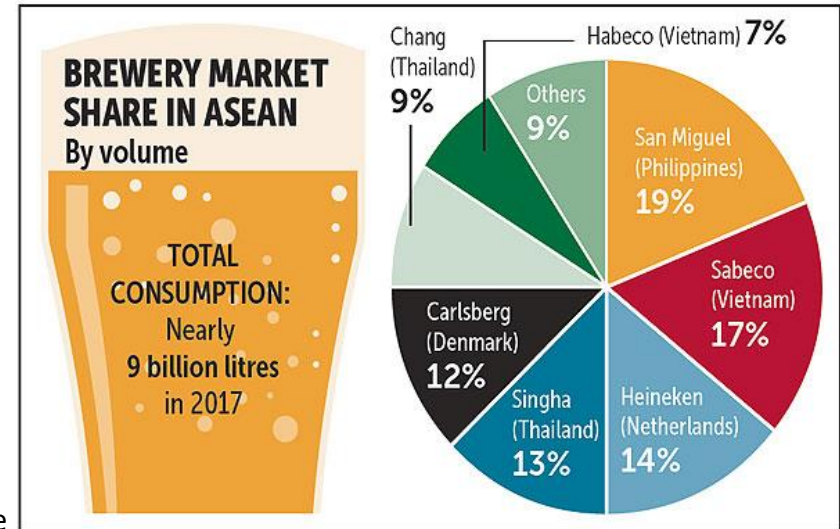
# ASEAN beer market

## Major brewers, their brands



## Several operators dominate ASEAN market, including

- **Big transnational alcohol companies** (i.e. Heineken (NETH), Carlsberg (DEN), Kirin (JAP), AB InBev (Belgium), Asahi (Japan))
- **Local industries in the region** (i.e. San Miguel (PHI), Sebeco (VIET), Singha (THA), Chang (THA), Habeco (Viet))



Heineken's future depends on Southeast Asia Dutch brewer goes for broke  
<https://asia.nikkei.com/Business/Multinationals-in-Asia/Heineken-s-future>

Sources: Euromonitor, company reports, Nikkei Asian Review

BANGKOK POST GRAPHICS



# Increase of a joint venture between **local** and **global** brand

(i.e. Heineken Asia Pacific: Tiger (Singapore), Bintang (Indonesia), Bivian (Vietnam))

**"Asia is our growth engine, and Heineken's future depends on it.**

This region expected to contribute over 70% of global beer growth in the next 5 years

Frans Eusman, President of Heineken's Asia-Pacific operations.

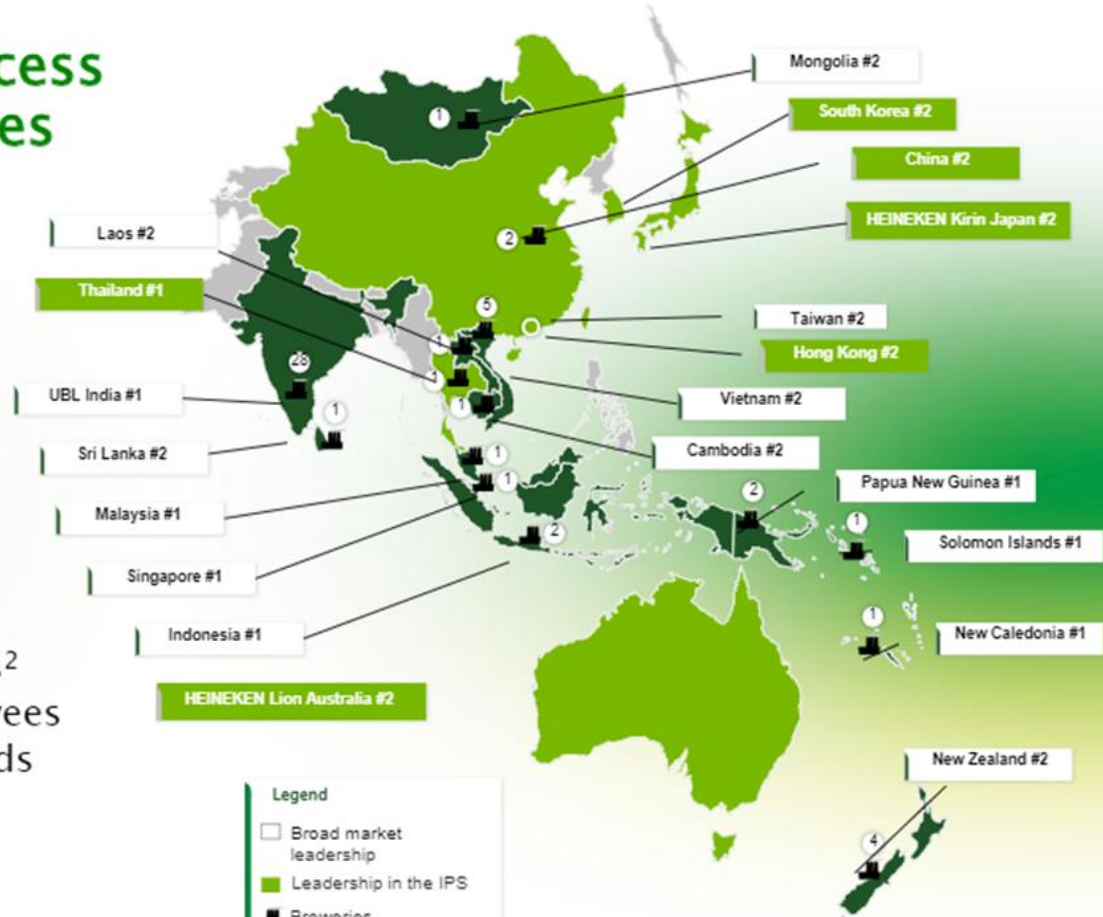
## HEINEKEN best placed to access regional growth opportunities

HEINEKEN has leadership in the largest number of markets<sup>1</sup>

Number of #1 and #2 market positions in Asia-Pacific



52 Breweries<sup>2</sup>  
10,800 Employees  
Over 50 Brands



Source: HEINEKEN: Positioned for growth in Asia Pacific <https://docplayer.net/21083488-Heineken-positioned-for-growth-in-asia-pacific.html>

<sup>2</sup> 28 breweries in India includes 9 contract breweries  
Source: Most recent competitor financial results

# Asia Pacific: A highly Attractive Growth Region for Heineken

- Still low average consumption (**emerging market**)
- High proportion of younger population aged under 35
- Rising income levels
- Rising urbanization which is a key driver of increased beer consumption
- Big room for premium segment/brands
- Having potential local partners for mainstreaming the growth
- ...

% population under the age of 35 (2015 forecast)





# Practical steps for implementing the Article 5.3 Guidelines

## 4. Taking action

### a) Monitor the strategies of the tobacco industry

- a.1 Marketing mapping
- a.2 Political mapping
- a.3 Mapping interference in tobacco-growing regions
- a.4 Mapping interference from State-owned tobacco companies

### b) Prepare the legal framework and instruments

- b.1 Establish policies that prohibit any collaboration with the tobacco industry
- b.2 Establish accountability mechanisms for compliance with Article 5.3 provisions and Guidelines within the government
- b.3 Set up a firewall between government and the tobacco industry

## 5. Including Article 5.3 as a strategic point in tobacco control programmes/plans of action

## 6. Communicating with stakeholders and the public

## 7. Building capacity to implement Article 5.3 provisions and Guidelines

## 8. Monitoring overall Article 5.3 implementation





# TOBACCO INDUSTRY INTERFERENCE INDEX

Asian Report on Implementation of WHO Framework Convention on Tobacco Control Article 5.3

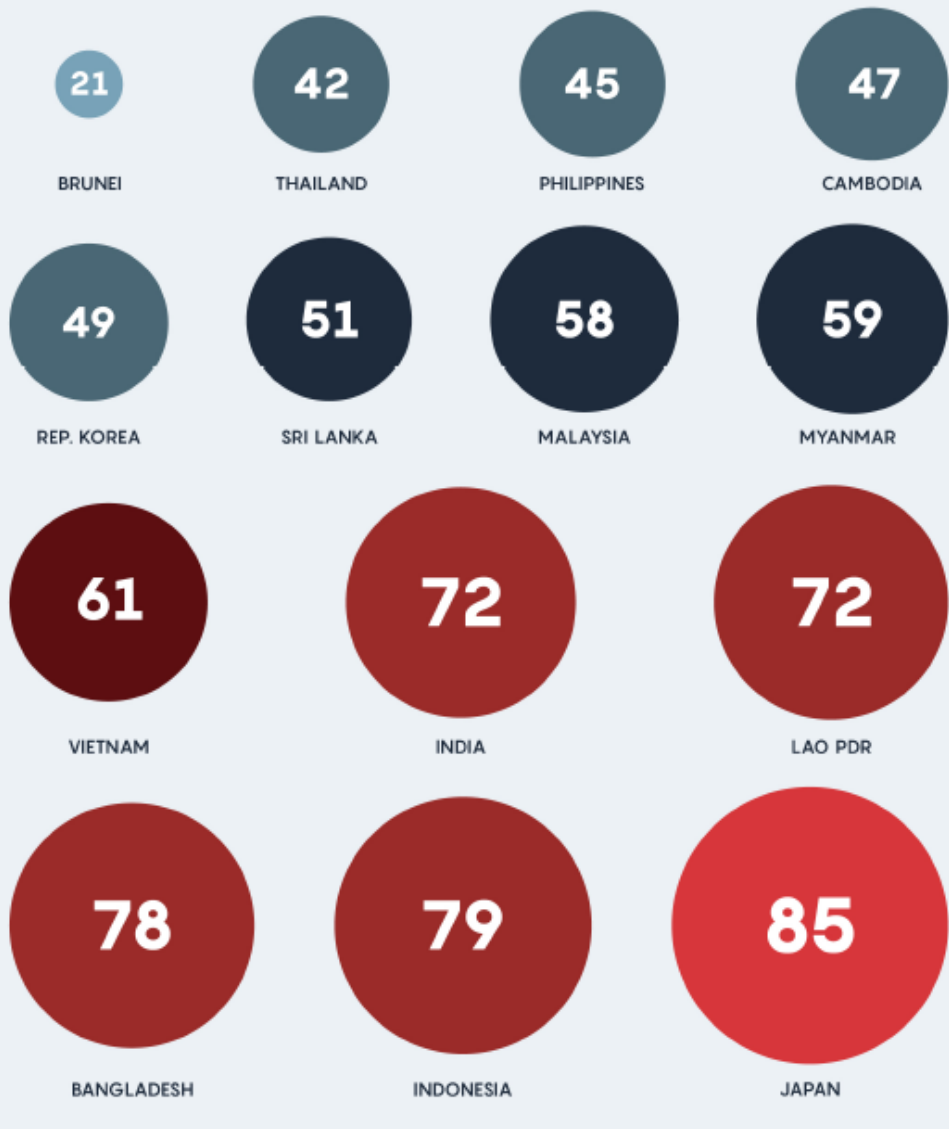
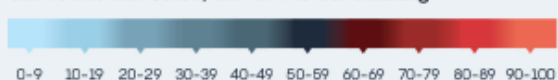


SOUTHEAST ASIA TOBACCO CONTROL ALLIANCE

2018

Source: First Asian Tobacco Interference Index 2018  
<https://seatca.org/dmdocuments/TI%20Index%20017%2009%20November%20FINAL.pdf>

The lower the score, the better the ranking



## **7 Areas**

- 1. Level of Participation in Policy-Development**
- 2. So-called CSR activities**
- 3. Benefits to the Alcohol Industry**
- 4. Forms of Unnecessary Interaction**
- 5. Transparency**
- 6. Conflict of Interest**
- 7. Preventive Measures**



INDICATORS	BD	BN	KH	ID	IN	JP	LA	MY	MM	PH	KL	KR	TH	VN
<b>Level of Participation in Policy-Development<sup>9</sup></b>														
1. The government accepts, supports or endorses offer for assistance by or in collaboration with the tobacco industry in implementing tobacco control policies (Rec 3.1)	4	0	1	5	3	5	5	0	1	4	1	0	1	4
2. The government accepts, supports or endorses legislation drafted by/ collaboration with the tobacco industry (Rec 3.4) Score 5 if pro-tobacco industry, and 1 if pro-advocate. Proportionately rate the scores from 1-5\depending on the amount or quantity/ value	3	0	1	5	0	5	3	0	2	5	0	0	1	4
3. The government allows the tobacco industry to sit in multi-sectoral committee/ advisory group that sets public health policy (Rec 4.8) 1 Never 5 Yes	5	1	1	5	3	5	1	5	1	5	0	1	1	5
4. The government allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or subsidiary bodies or accepts their sponsorship for delegates. (Rec 4.9 & 8.3)	0	0	0	0	0	0	1	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>12</b>	<b>1</b>	<b>3</b>	<b>15</b>	<b>6</b>	<b>15</b>	<b>10</b>	<b>5</b>	<b>4</b>	<b>14</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>13</b>
<b>So-called CSR activities</b>														
5. The government receives contributions from the tobacco industry (including so-called CSR contributions) (Rec 6.4) The government agencies/officials endorses, forms partnerships with/ participates in tobacco industry CSR activities (Rec 6.2)	5	0	3	5	4	5	0	3	4	3	2	4	4	4
<b>Subtotal</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>4</b>

INDICATORS	BD	BN	KH	ID	IN	JP	LA	MY	MM	PH	KL	KR	TH	VN
<b>Benefits to the Tobacco Industry</b>														
6. The government accommodates requests from the industry for longer implementation time or postponement of tobacco control law (Rec 7.1) For each incident, provide a base score of 3 if there is a policy that remains pending due to tobacco industry efforts. No score if there is no proposed or pending policy at all. Time Frame: +1 Longer time frame was granted, +1 extremely long time is granted, -1 if there is a justifiable reason (elections, calamity) Type of Health Policy/ Type of Government Agency Involved: -1 if related to local government, -2 if related to agriculture, -2 if related to trade, +1 if referring to policy of health department, women, children, or education.	5	0	1	5	0	4	3	5	4	0	2	0	0	0
7. The government gives privileges, incentives, exemptions or benefits to the tobacco industry (Rec 7.3) For each incentive/benefit, give base score of 3; Subject: +1 if the incentive is specific to a tobacco company; Term/Period: +1 if term of the benefit extends beyond usual term of elected officials; Granting Authority: -1 if the grant is granted by local govt; Type: +1 if exemption refers to excise tax or duty free; + if a subsidy is involved	5	0	4	5	5	5	5	3	3	5	2	3	2	4
Subtotal	10	0	5	10	5	9	8	8	7	5	4	3	2	4

INDICATORS	BD	BN	KH	ID	IN	JP	LA	MY	MM	PH	KL	KR	TH	VN
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### Forms of Unnecessary Interaction

8. Top-level government officials meet with/ foster relations with the tobacco companies such as attending social functions and events sponsored or organized by the tobacco companies. (Rec 2.1) Provide base score of 3: -1 for mitigating circumstance and +1 for aggravating circumstance	5	0	1	5	3	3	5	2	0	0	4	2	0	5
9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement (Rec 3.1 & 4.3)	4	0	1	5	5	3	5	2	0	0	4	0	2	5
10. The government accepts, supports, endorses, or enters into partnerships or agreements with the tobacco industry (Rec 3.1)	3	0	0	2	4	4	5	0	1	5	0	0	0	0
<b>Subtotal</b>	<b>12</b>	<b>0</b>	<b>2</b>	<b>12</b>	<b>12</b>	<b>10</b>	<b>15</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>8</b>	<b>2</b>	<b>2</b>	<b>10</b>



INDICATORS	BD	BN	KH	ID	IN	JP	LA	MY	MM	PH	KL	KR	TH	VN
<b>Transparency</b>														
11. The government does not publicly disclose meetings/ interactions with the tobacco industry where such interactions are strictly necessary for regulation. (Rec 2.2) For each meeting/ interaction not disclosed, give base score of 3; +2 if the meeting is not strictly necessary, -1 if minutes were taken, -1 if TC advocates were asked to be present, -1 if the meeting is in a public office, +1 if photos were taken, +1 if high level officials were involved, -1 if there is a mechanism for disclosure of tobacco meetings.	3	4	1	5	5	3	4	3	4	0	5	5	3	1
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliate organizations, and individuals acting on their behalf including lobbyists. If rules exist for tobacco companies, provide a base score of 3. -1 if affiliated organizations are included, -1 if individuals/ lobbyists are included; If no rules exist, the score is 5. -1 If a policy is being considered.	5	5	5	5	5	5	4	5	5	3	3	5	4	5
<b>Subtotal</b>	<b>8</b>	<b>9</b>	<b>6</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>3</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>6</b>
<b>Conflict of Interest</b>														
13. The government does not have a policy (whether or not written) to 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) 1 Never 5 Yes; If such a prohibition does not exist for tobacco companies, provide a base score of 5: -1 if a policy is being considered, -1 if there is a partial policy, -1 if there is a policy but not enforced.	5	1	5	5	5	5	1	5	5	5	5	5	5	1
14. Retired senior officials work for the tobacco industry (Rec 4.4) Provide base score of 3: -1 for mitigating circumstance and +1 for aggravating circumstance	4	0	0	5	4	5	3	5	3	4	0	0	5	0
15. Current government officials and their relatives hold positions in the tobacco business including consultancy positions (Rec 4.5, 4.8 & 4.10) Provide base score of 3: -1 for mitigating circumstance and +1 for aggravating circumstance	4	0	4	1	5	5	5	0	2	0	4	0	4	5
<b>Subtotal</b>	<b>13</b>	<b>1</b>	<b>9</b>	<b>11</b>	<b>14</b>	<b>15</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>5</b>	<b>14</b>	<b>6</b>

INDICATORS	BD	BN	KH	ID	IN	JP	LA	MY	MM	PH	KL	KR	TH	VN
<b>Preventive Measures</b>														
1 Yes, 2 Yes but partial only, 3 Policy/ program being developed, 4 Committed to develop such a policy/ program, 5 None														
16. The government has a procedure for disclosing records of the interaction with tobacco industry and its representatives. (Rec 5.1)	4	3	5	5	4	5	5	5	5	1	5	5	2	5
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards they should comply when dealings with the tobacco industry (Rec 4.2)	4	3	3	2	4	5	5	5	5	1	4	4	2	4
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, and political contributions. (Rec 5.2)	2	0	5	2	5	3	4	5	5	2	3	5	2	2
19. The government has a program / system/ plan to consistently raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)	4	3	4	5	3	5	3	2	5	1	4	5	2	5
20. The government has a policy prohibiting the acceptance of all forms of contributions from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations to the government, officials and their relatives. (Rec 3.4)	4	1	2	2	5	5	5	3	4	1	3	5	2	2
<b>Subtotal</b>	<b>18</b>	<b>10</b>	<b>19</b>	<b>16</b>	<b>21</b>	<b>23</b>	<b>22</b>	<b>20</b>	<b>24</b>	<b>6</b>	<b>19</b>	<b>24</b>	<b>10</b>	<b>18</b>

# Take home messages

- To understand and document more
  - Who is the alcohol industry?
  - What does the alcohol industry want?
  - What does the alcohol industry do?
- To monitor the roles of the alcohol industry in alcohol policy process (and public policies)
- To use evidence & research for policy movements
- To increase visibility of industry subversion (open the Pandora box)
- To set up vision (baby step of FCAC)



# WHO Global Strategy

The WHO Global strategy on alcohol **does not give the global alcohol producers a role in public health policy development or implementation.** They are only encouraged to “consider effective ways” to address alcohol problems within their core roles, rather than as public health professionals.

In the view of WHO, **the alcohol industry has no role in the formulation of alcohol policies** (Chan, 2013). The alcohol industry does, however, have an ethical responsibility to minimize the harm caused by its products at all stages of the production chain, including product design and marketing.

The ethical responsibility of the industry for the harm caused by its products cannot be regarded solely as a national issue. Multinational corporations have a responsibility for their behaviour all over the world, and should adhere to minimal ethical standards for responsible product design and marketing practices regardless of the country where their products are sold.



# Thank you

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