



Pakistan

TOBACCO

INDUSTRY INTERFERENCE

INDEX 2025

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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 2025

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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 tactics, 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 2025

The *Global Tobacco Industry Interference Index (Global Tobacco Index)* assesses and supports government efforts to curb interference by the tobacco industry in public health policy. The Index encourages governments to adopt effective measures that safeguard policymaking from the industry's influence. Countries that perform well on the Index demonstrate stronger resistance to such interference through the implementation of protective strategies and transparency measures.

This report compiles publicly available information on instances of tobacco industry interference and the corresponding actions taken by governments in response. Rankings are determined based on scores submitted by civil society organizations from participating countries. A lower score reflects a lower level of industry interference, which indicates stronger protection of public health policies.

In the 2025 assessment, **Pakistan** received a total score of **54**, compared to **53** in **2023**, and ranked **33** among **100** countries, whereas it ranked **32** among **90** countries in 2023.

Tobacco Industry Interference overall Country Ranking



Background and Introduction

Tobacco Industry Interference Index for Pakistan serves as a critical tool for assessing the extent to which the government is responding to the tobacco industry influences on public health policies by applying Article 5.3 guidelines of the WHO Framework Convention on Tobacco Control (FCTC). It highlights areas where industry tactics such as lobbying, policy manipulation, public relations, and corporate social responsibility initiatives undermine government efforts to reduce tobacco use.

By providing a systematic evaluation of government response to such interference, the Index empowers policymakers, civil society, and the media to identify vulnerabilities, strengthen regulations, and enhance accountability in line with the WHO FCTC.

In Pakistan, where tobacco use remains a leading cause of preventable deaths and where industry lobbying often weakens enforcement of tobacco control laws, the Index exposes loopholes, conflicts of interest, and regulatory gaps. It documents instances of lack of protection from interference such as front groups lobby, policy influence, and misleading CSR activities offering evidence-based guidance to safeguard transparency and integrity in policy-making.

Ultimately, the Index acts both as a mirror of existing weaknesses and a roadmap for reform, helping Pakistan protect its population from the devastating health and economic consequences of tobacco consumption while advancing its international public health commitments.

The World Health Organization (WHO) warns that Pakistan loses 164,000 lives and incurs an annual economic loss of PKR 700 billion (approximately US\$ 2.5 billion)¹ due to the devastating impacts of tobacco on public health. According to Global Adult Tobacco Survey (GATS 2014), almost 24 million (19.1%) adults currently use tobacco in any form. That accounts for 15.6 million (12.4%) adults who currently smoke tobacco, including 3.7 million adults using water pipe, hookah or shisha, and another 9.6 million (7.7%) adults who use smokeless tobacco. As per Global Youth Tobacco Survey (GYTS 2013), 13.3% boys and 6.6% girls are current tobacco users. Point of concern is the narrowing of ratio between male and female tobacco users among youth².

Pakistan now ranks 7th globally in tobacco consumption and holds the highest number of tobacco users in the WHO Eastern Mediterranean Region (EMR)³. This widespread usage

¹<https://www.emro.who.int/pak/pakistan-news/tobacco-costs-pakistan-164-000-lives-and-us-2-5-billion-annually-urgent-tax-increases-can-save-lives.html>

²<https://www.emro.who.int/pak/programmes/tobacco-free-initiative.html>

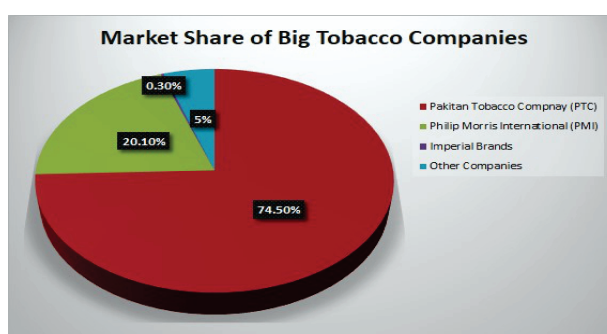
³<https://www.brecorder.com/news/40293495/pakistan-ranks-7th-among-tobacco-consuming-countries-globally>

poses a serious threat to both public health and economic stability. According to the Global Burden of Disease 2024, Pakistan's annual death rate from smoking is 91.1 per 100,000 people, notably higher than the averages for South Asia (78.1) and the world (72.6)⁴.

Tobacco production remains heavily concentrated in developing and low-income, food-deficit countries, and Pakistan is no exception. Over the years, the government has suffered substantial financial losses by extending undue facilitation and policy leniency toward multinational tobacco companies. These facts underscore the pressing need for stricter taxation and comprehensive tobacco control measures.

Philip Morris (Pakistan) Ltd (PMPKL), a subsidiary of the global tobacco giant Philip Morris International (PMI), has posted a remarkable 77.5% year-on-year increase in net turnover for the fiscal year ended December 31, 2024⁵. Whereas, Pakistan Tobacco Company reports 29.67% profit growth between Jan-Jun 2025⁶. These alarming figures illustrate how the economic gains of the tobacco industry come at the expense of human lives and national welfare. The growing economic burden and health toll demand immediate action through higher tobacco taxation, tighter regulation of industry practices, and strengthened public awareness campaigns. Without decisive policy intervention, Pakistan will continue to bear the heavy social and financial costs of an industry that profits while lives are lost.

The Pakistani cigarette market is dominated by the Pakistan Tobacco Company (PTC), the local subsidiary of British American Tobacco (BAT) and a smaller market share of Philip Morris International (PMI). In 2024, BAT had a market share of 74%; PMI of over 20%. Imperial Brands had a share of 0.3%.



Other smaller companies such as Khyber Tobacco Company, Souvenir Tobacco Company Limited and Sarhad Cigarette Industries Ltd account for the remaining 5% of the market⁷.

Pakistan's overall global ranking stands at 33 out of 100 countries, with a total score of 54. In 2023, Pakistan ranked 32 out of 90 countries with a total score of 53, indicating a slight improvement in performance and consistency in the government's response to protecting tobacco control efforts from industry interference.

One of the strongest indicators of this progress is how the Tobacco Control Cell (TCC), Ministry of National Health Services Regulations and Coordination (MoNHSRC) stood firm against intense pressure from the tobacco industry to amend tobacco control laws to allow manufacturer of kiddy cigarette packs, despite lobbying efforts directed at the

⁴<https://gallup.com.pk/post/37944>

⁵<https://profit.pakistantoday.com.pk/2025/04/07/philip-morris-pakistan-posts-77-5-revenue-growth-in-2024/>

⁶<https://profit.pakistantoday.com.pk/2025/08/05/pakistan-tobacco-reports-29-67-profit-growth-between-jan-jun-2025/>

⁷<https://tinyurl.com/53udww95>

country's top leadership. This resilience demonstrates growing institutional commitment to protecting public health policies from industry interference.

Moving forward, the most urgent need is for Pakistan to adopt a formal code of conduct to guide all government interactions with the tobacco industry, in accordance with WHO FCTC Article 5.3. Such a measure will strengthen transparency, accountability, and policy integrity.

This is the fifth civil society report assessing the implementation of WHO FCTC Article 5.3 in Pakistan. The report is based on a questionnaire developed by South East Asia Tobacco Control Alliance (SEATCA). There are 20 questions based on 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 to 5, where 5 indicates the highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country. The 0 score indicates absence of evidence or not applicable. Where multiple pieces of evidence are found, the score applied reflects an average. The report covers information on incidents from April 2023 up to March 2025, but also includes incidents prior to 2023 that still have relevance today.

Summary of Findings

I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

In 2024, the Pakistan Tobacco Company (BAT subsidiary) sought regulatory changes to allow the production of banned 10-stick “kiddy packs” for export, but the Ministry of Health (MoH) rejected the proposal. Shortly after, the sudden dismissal of the national tobacco control focal point reportedly on the Prime Minister’s orders caused disruption in tobacco control efforts, raising concerns over potential industry interference. While the government does not engage the tobacco industry in public health policymaking and excludes it from international delegations such as the COP, reports indicate the industry’s attempts to exert influence through other ministries like Finance and Commerce. DRAP’s 2024 suggestion to form a working group on nicotine pouches, potentially including industry stakeholders, has not been acted upon by the MoH, maintaining the government’s formal distance from industry involvement in health decisions.

2 INDUSTRY CSR ACTIVITIES

Tobacco companies in Pakistan, particularly the Pakistan Tobacco Company (PTC), strategically use Corporate Social Responsibility (CSR) initiatives to enhance their public image and divert attention from the health harms of tobacco. These initiatives, often framed as environmental and community development efforts, include large-scale afforestation and sustainability projects. According to its 2024 Annual Report, PTC has distributed over 160 million saplings since 1981, including 4.2 million in 2024 alone. It has partnered with the National Rural Support Program (NRSP) for sustainable wood fuel sourcing and collaborated with the Irrigation and Forest Departments to develop conservation forest sites, including planting 44 hectares of native species. In 2024, PTC also joined hands with the Capital Development Authority (CDA) to launch the “Throw and Grow” campaign in Islamabad’s Margalla Hills. These collaborations with government bodies help the industry align with national environmental goals while masking the damaging impact of its core tobacco business.

3 BENEFITS TO THE INDUSTRY

Despite repeated government attempts to regulate the tobacco industry, enforcement delays and weak implementation have allowed the industry to benefit significantly. The Federal Board of Revenue (FBR) launched the Track and Trace System in 2021, mandating tax stamps on all tobacco products from April 2022, yet full implementation was delayed until December 2024. During this period, the Prime Minister himself criticized the failure as a “cruel joke,” while the IMF raised concerns over non-compliance, but the industry continued to evade taxes reportedly causing a Rs 40 billion loss due to poor monitoring of Green Leaf Threshing. Meanwhile, tobacco taxation increased incrementally, including higher excise on tobacco mixtures, acetate tow, e-liquids, and nicotine pouches, though experts argue there is still room for more. The Ministry of National Health Services Regulations and Coordination (MoNHSRC) and the Tobacco Control Cell (TCC) actively pushed back against violations, issuing notices to multiple cigarette companies for illegal

advertising and urging FBR to suspend brand registrations of violators though no official outcome has been made public.

Notably, when Pakistan Tobacco Company lobbied to export 10-stick cigarette packs to Sudan, despite the national ban, the Ministry of Health and TCC resisted. Although the Prime Minister approved the export in May 2024 upon inter-ministerial committee recommendations, the required SRO remains unissued for over 52 days due to the firm opposition from Health Ministry officials and TCC, reflecting their strong stance in defending tobacco control laws. Moreover, increased tobacco taxes in 2023 led to reduced consumption and higher revenue, but overall rates remain below global recommendations. The Ministry of Health and FBR took action against violations, tax evasion, and illegal tobacco trade. Despite this, Export Processing Zones Authority EPZA's preferential treatment of tobacco companies undermines Pakistan's FCTC commitments.

4 UNNECESSARY INTERACTION

The tobacco industry's influence in Pakistan remains significant through high-level engagements, export incentives, and visible partnerships. Pakistan Tobacco Company (PTC) launched its global THR platform Omni™ with participation from the Minister of State for Finance, and received state media coverage. PTC was later awarded for being a top taxpayer and expanded exports of nicotine pouches to Japan under the "Made in Pakistan 3.0" initiative, inaugurated by the Commerce Minister. Meetings between tobacco delegations and key officials, including the Finance Minister, Defence Minister, and Governor KP, reflect continued access and influence. Notably, the Finance Minister met with BAT in London in 2025 to discuss excise duty and illicit trade, suggesting a "mutual understanding" around balancing health and trade goals. Despite claiming no formal partnerships with the tobacco industry, the government maintains ongoing working relationships, as seen in the Pakistan Tobacco Board's inclusion of industry representatives.

No official record confirms that the government rejects industry assistance in enforcement actions. Meanwhile, tobacco exports have surged, rising by 538% in August 2024, supported by favorable FBR policies like duty-free warehouse transfers. Provincial governments and agricultural bodies in KP and Punjab are also promoting modern tobacco farming practices. These developments highlight the industry's deep integration into national policies, economic planning, and institutional frameworks.

5 TRANSPARENCY

The Government of Pakistan currently lacks a disclosure policy for interactions with the tobacco industry, and no system exists to register affiliated organizations or lobbyists acting on their behalf. In May 2024, BAT executives met with Prime Minister Shehbaz Sharif and SIFC officials, expressing concern over increased tobacco taxes, which they claimed led to a 38% drop in sales and a rise in illicit trade to 58%. BAT warned of potential divestment, prompting the Prime Minister to approve a committee to review export-related regulations.

6 CONFLICT OF INTEREST

Pakistan has no law prohibiting political contributions from the tobacco industry or requiring disclosure of such donations. Additionally, there are no restrictions on former government officials or relatives of current officials holding positions in the tobacco industry. Several high-ranking retired civil and military officers currently serve on the board of Pakistan Tobacco Company (PTC), including former Principal Secretary to the Prime Minister Nasir Mahmood Khosa (Chairman, 2025), and former federal secretaries Zafar Mahmood, Mohammad Riaz, and Sualeh Ahmed Faruqi. Other board members include Lt. Gen. (Retd) NajibUllah Khan and other officials with extensive backgrounds in public service, diplomacy, and economic policymaking. While no current government official holds a post in the tobacco industry, the presence of such influential former officials on PTC's board underscores the industry's access to high-level networks and policymaking experience.

7 PREVENTIVE MEASURES

Pakistan currently lacks a dedicated disclosure policy for tobacco control, though the National Tobacco Control Strategy (NTCS) has been approved. Public health officials at the Ministry of National Health Services, Regulations, and Coordination (MNHRC) adhere to Article 5.3 of the WHO FCTC in interactions with the tobacco industry. While the Companies Ordinance 2017 mandates public companies, including tobacco firms, to disclose financial and operational data, this information is not effectively utilized for regulation. The MoNHRC actively promotes interdepartmental awareness through workshops, circulars, and policy dialogues to prioritize health across sectors. However, the government follows FCTC guidelines prohibiting the acceptance of any gifts, contributions, or assistance from the tobacco industry to officials or their relatives.

Recommendations

Resisting Industry Influence: The commendable stance taken by the Tobacco Control Cell and the Ministry of Health, resisting pressure from the tobacco industry, upholding public health interests, and preserving the integrity of policy making serves as a model for all state institutions. It is imperative that other government bodies exhibit the same commitment by prioritizing public health and unequivocally rejecting any form of tobacco industry interference.

Institutional Safeguards for Health Officials: Politically motivated dismissal of public health officials should be delt with protection. It will help the perpetuity of tobacco control efforts and will protect policy makers against industry pressure and interference.

Exclusion of Industry from Policymaking: In line with WHO FCTC Article 5.3, all forms of tobacco industry participation in policymaking and advisory processes, particularly those related to new tobacco and nicotine products (NTNPs), must be explicitly prohibited. To ensure full compliance, representatives of the tobacco industry should be removed from statutory bodies such as the Pakistan Tobacco Board. Furthermore, the industry must be excluded from regulatory institutions like the Pakistan Standards and Quality Control Authority (PSQCA), which are responsible for setting and enforcing product standards.

Comprehensive Disclosure Framework: Public reporting of all government interactions with the tobacco industry should be documented under legally documented disclosure policy while maintaining a mandatory registry for tobacco industry front groups and other lobbyists affiliated with the industry.

Ban on Political Contributions: Political donations from the tobacco industry must be prohibited under comprehensive legislation while enforcing transparency for any past or ongoing financial links to political parties, campaigns, or candidates.

Phase-Out of Industry Privileges: The government should gradually eliminate fiscal benefits to the tobacco industry such as duty-free warehouse transfers and export zone advantages for tobacco companies to align with public health goals.

Use of Existing Financial Data: Company financial disclosures under the Companies Ordinance 2017 must be actively utilized by the government agencies to monitor and regulate tobacco industry influence. Moreover, government must bound the industry to expose their marketing expenses.

Pakistan

Tobacco Industry Interference Index 2025

Results and Findings

	0	1	2	3	4	5
INDICATOR 1: Level of Industry Participation in Policy-Development						
1. The government ⁸ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry <u>or any entity or person working to further its interests.</u> ⁹ in setting or implementing public health policies in relation to tobacco control ¹⁰ (Rec 3.4)		1				
No evidence was found that the government accepted or endorsed any offer of assistance or collaboration from the Tobacco Industry (TI) in the development or execution of public health policies. In 2024, the local subsidiary of BAT (Pakistan Tobacco Company) wrote to the Ministry of Health requesting to amend Pakistan's tobacco advertising, promotions and sponsorship regulations that would then allow it to manufacture kiddie cigarette packs (10 stick pack) in Pakistan for export to Sudan and other countries where these packs are not prohibited.¹¹ Manufacture of kiddy packs are banned as the law mandates pack size of minimum 20 cigarettes to limit youth access to tobacco. The MOH refused the request.¹² Following this controversy, it was later reported that the technical focal point responsible for coordinating Pakistan's tobacco control efforts was abruptly dismissed, reportedly under direct orders from the Prime Minister's office.¹³ This left a gap in the work of tobacco control for about two months. According to a news report this incident illustrates how industry influence can disrupt the work of public health officials, and the vulnerability of policymaking processes to industry interference even resulting in the removal of individuals essential to advancing Pakistan's position. The government of Pakistan complies with the Article 5.3 of the Framework Convention for Tobacco Control (FCTC) by refraining from involving the Tobacco Industry (TI) in the development or execution of public health policies. The Government of Pakistan adheres to Article 5.3 of the Framework Convention on Tobacco Control (FCTC) by excluding the Tobacco Industry from the development and implementation of public health policies.						
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 policies/legislations are accepted, supported or endorsed by the Government.						

⁸ 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

⁹ The term, "tobacco industry" includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

¹⁰ "Offer of assistance" may include draft legislation, technical input, recommendations, oversees study tour

¹¹ Davies R. BAT subsidiary lobbies Pakistan to allow export of cigarettes to Sudan. The Guardian. 7 Jun 2024. <https://www.theguardian.com/business/article/2024/jun/07/bat-subsiidiary-lobbies-pakistan-to-allow-export-of-cigarettes-to-sudan>

¹² Janjua W. I., Syed Ali Wasif Naqvi SAW, AlebshehyR. Tobacco 10-Packs: A Failed Deal Between BAT/PTC in Pakistan and Sudan. 23 Dec 2024 <https://blogs.bmj.com/tc/2024/12/23/tobacco-10-packs-a-failed-deal-between-bat-ptc-in-pakistan-and-sudan/>

¹³ Shah R.N. Pakistan's tobacco control dilemma. Business Recorder. 18 Nov 2024. <https://www.brecorder.com/news/40332952/pakistans-tobacco-control-dilemma>

	0	1	2	3	4	5
However, it has been reported that TI moves within the related departments in other ministries such as Finance, Commerce and Trade to influence policies/matters.						
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)		I				
Government doesn't allow/ invite tobacco industry to sit in Government's bodies that set public health policy. In September 2024, the federal government made a decision to regulate 'nicotine pouches', and the Drug Regulatory Authority issued a letter to the Tobacco Control Cell, in which DRAP recommended the establishment of a working group on nicotine pouches, where relevant stakeholders (may include representatives of the industry) join the working group. ¹⁴ However, as far as the nicotine working group is concerned, representative from Ministry of Health stated that no action has been initiated in this regard within the ministry.						
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) ¹⁵ (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year.		I				
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.						
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 . 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 (eg political, social, financial, educational, community or other contributions (Rec 6.4) including environmental or EPR activities (COP10 Dec)). <i>NOTE: exclude enforcement activities as this is covered in another question</i>			2			
According to studies, the CSR programs are used as a tool to advance the tobacco business as socially applicable in Pakistan. The tobacco companies' CSR exercises have imparted their soft image among Pakistani people. It has proved that how tobacco and its related businesses were politicized and how tobacco tycoon wins three elections consecutively. This study ¹⁷ has proved that using CSR with different charity names is to protect and						

¹⁴Khan J. Federal government decides to regulate 'nicotine pouches' 19 Sep 2024. [Federal government decides to regulate 'nicotine pouches'](#)

¹⁵Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

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

¹⁷<https://ideapublishers.org/index.php/lassij/article/view/81>

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increase wealth through gaining power of politics. On the contrary, through their CSR exercises, the Pakistani tobacco companies have accurately disregarded the negative effects of tobacco¹⁸. PTC annual Report 2024 page 42 state that since the launching of its flagship afforestation initiative in 1981, PTC has successfully planted and distributed over 160 million saplings free of cost, playing a crucial role in environmental conservation and climate resilience. In 2024 alone, the Irrigation and Forest Departments of Pakistan collaborated with PTC activity to plant 44 hectares of native forest species across conservation sites.¹⁹ According to PTC annual Report 2024 page 12, PTC's Leaf department continues to partner with the National Rural Support Program (NRSP), to carry out afforestation initiatives in the rural communities of Pakistan. This 13-year partnership has enabled us to develop a wood fuel source for tobacco production with 100% traceability. Additionally, our Leaf department established partnerships with the Forest and Irrigation Departments of the Pakistan Government, to develop conservation forest sites. According to PTC annual report, in 2024 alone, 4.2 million saplings were distributed, with over 160 million saplings distributed since the program's inception²⁰. Moreover, Capital Development Authority (CDA), PTC join hands to enhance Margalla Hills' greenery Pakistan Tobacco Company (PTC) Limited and CDA have launched a collaborative initiative, "Throw and Grow" to promote the greenery of Islamabad's iconic Margalla hills²¹.						
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			
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 delayed to fully implement the Track and Trace System in April 2023. However, The Prime Minister of Pakistan directed implementation of Track and Trace System in cigarette manufacturing units during the first week of April 2023.^{22,23} But the matter kept dragging on, and in 2024, the Prime Minister was compelled to label it as a cruel joke and fraud.^{24,25}						

¹⁸<https://www.brecorder.com/news/40231208#:~:text=ISLAMABAD:%20Pakistan%20Tobacco%20Company%20Limited,to%20strive%20for%20sustainable%20development.%E2%80%9D>

¹⁹ PTC Annual Report 2024. Sustainability Highlights.

<https://www.ptc.com.pk/content/dam/endmarkets/pk/en/download/investors-and-reporting/corporate-reporting/PTC-Annual-Report-2024.pdfpg 13>

²⁰<https://www.ptc.com.pk/content/dam/endmarkets/pk/en/download/investors-and-reporting/corporate-reporting/PTC-Annual-Report-2024.pdf>

²¹<https://arynews.tv/cda-ptc-join-hands-to-enhance-margalla-hills-greenery/https://urdunews.com.pk/archives/541>

²²<https://www.pakistantoday.com.pk/2023/04/04/pm-directs-for-track-trace-system-in-cigarette-manufacturing-units-within-two-weeks/>

²³<https://dailytimes.com.pk/1082092/implementing-track-and-trace-system-of-tobacco-industry-essential/>

²⁴<https://profit.pakistantoday.com.pk/2024/04/27/pm-shahbaz-sharif-says-track-trace-is-nothing-but-a-cruel-joke/>

²⁵<https://www.nation.com.pk/27-Apr-2024/pm-shahbaz-says-track-trace-is-nothing-but-a-cruel-joke>

Before this statement IMF expresses lack of confidence in the modern Track and Trace system, demands full implementation.²⁶ A committee was formed to investigate the issue, and some officials from the government and FBR were made OSD (Officers on Special Duty). However, during this entire period, the tobacco industry benefitted and continued to evade taxes.^{27,28} The federal minister for economic affairs, claimed that tax evasion in various important sectors was a major issue. He specifically mentioned tax evasion in the real estate and tobacco sectors as major contributors to the problem.²⁹ According to media reports, track and Trace system implemented in Dec 2024.³⁰ Meanwhile FBR faces loss of Rs40b for poor monitoring of Green Leaves Threshing mechanism, means the tobacco industry gains more revenue due to poor monitoring.³¹

Tobacco tax, along with other tobacco products, is also imposed on tobacco mixture used in Heated Tobacco Products (HTPs) at the rate of Rs. 5,200 per kilogram under the Federal Excise Act, 2005 (as amended up to February 23, 2023). In June 2023, this rate was increased from Rs. 5,200 to Rs. 16,500 per kilogram.³² As of May 2024, the rate remained unchanged.³³ Similarly, in June 2024, while the rate on tobacco mixture stayed the same, the government introduced an excise duty on acetate tow—a material used in cigarette filters—at Rs. 44,000 per kilogram. Moreover, a duty of Rs. 10,000 per kilogram or 65% of the retail price (whichever is higher) was imposed on e-liquids, and Rs. 1,200 per kilogram on nicotine pouches.³⁴ Experts feel that taxes are too little and there is still much room available to raise taxes in this regard³⁵.

Ministry of Health has issued notices to Philip Morris, Khyber Tobacco Company, Samson Group National Tobacco Company, Universal Tobacco Company, Soul Tobacco Company, Watan Tobacco Company, Royal Tobacco Company, and Souvenir Tobacco Company. The notices state that, under anti-smoking laws, cigarette advertising campaigns and promotional schemes are prohibited, and any violation may result in fines and imprisonment for life.³⁶ Meanwhile after some period Ministry of National Health Services has asked the Federal Board of Revenue (FBR) to take action and suspend brand registration of 10 cigarette manufacturers found to be involved in blatant violations of critical tobacco control laws³⁷ but its result not found in any public document.³⁸

Pakistan Tobacco Co. (PTC), a BAT subsidiary, lobbied the Pakistan government to allow export of 10-piece cigarettes packs to Sudan. Pakistan is among 80 countries that prohibits the sale or manufacture of 10-piece cigarette packs.³⁹ The Ministry of Commerce

²⁶<https://jang.com.pk/news/1334581>

²⁷<https://profit.pakistantoday.com.pk/2024/04/27/pm-shahbaz-sharif-says-track-trace-is-nothing-but-a-cruel-joke/>

²⁸<https://www.nation.com.pk/27-Apr-2024/pm-shahbaz-says-track-trace-is-nothing-but-a-cruel-joke>

²⁹<https://www.pakistantoday.com.pk/2023/06/15/mps-reiterate-govt-pledge-to-combat-powerful-tax-evaders-leakages/>

³⁰<https://jang.com.pk/news/1420356>

³¹<https://www.thenews.com.pk/print/889203-fbr-faces-loss-of-rs40b-for-poor-monitoring-of-glt-mechanism>

³²<https://download1.fbr.gov.pk/Docs/2023741871156937FEAct,2005withindexupdatedupto30-06-2023.pdf>

³³<https://download1.fbr.gov.pk/Docs/20245161352327589FEAct2005withindexupdatedupto07-05-2024.pdf>

³⁴<https://download1.fbr.gov.pk/Docs/2024723187395487FEAct,2005withindexupdatedupto30-06-2024--12.07.2024-1.pdf>

³⁵<https://www.brecorder.com/news/40273118/cigarette-prices-in-pakistan-lowest-in-the-region-due-to-lenient-tax-policy>

³⁶<https://urdu.arynews.tv/major-initiative-by-the-ministry-of-health/>

³⁷<https://www.brecorder.com/news/40273881/10-cigarette-manufacturers-ministry-asks-fbr-to-suspend-brand-registration>

³⁸<https://urdu.arynews.tv/tobacco-control-cell-pakistan/>

³⁹<https://tobaccoreporter.com/2024/06/11/pakistan-urged-to-permit-small-packs-for-exports/>

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(MoC) in Pakistan had previously issued a Statutory Regulatory Order (SRO) allowing the export of 10-pack cigarettes, although this SRO remains difficult to trace ⁴⁰ On May 28, 2024, Prime Minister of Pakistan approved the export of 10-cigarette packs to Sudan based on the recommendations of an inter-ministerial committee. The committee included representatives from the Ministry of National Health Services, Regulations and Coordination, the Ministry of Foreign Affairs, the Ministry of Commerce, the Ministry of Industries, and the Ministry of Law and Justice. It recommended amending the 2012 rules, ensuring track and trace, labeling each pack with “For export purposes only” in red, and submitting quarterly export invoices to the Health Ministry. However, despite the Prime Minister’s approval, the required SRO has not been issued for over 52 days ⁴¹ , due to strong stand of Ministry of Health and Tobacco Control Cell (TCC) officials.						
7. The government gives privileges, incentives, tax exemptions, subsidies, financial incentives, or benefits to the tobacco industry (Rec 7.3)			2			
In first quarter of 2023, government increased federal Excise Duty by 154% on tier 1 and 146% on tier 2 on cigarettes brands^{42,43} due to that price hiked and consumption of cigarettes declined. According to World Health Organization (WHO), in 2023, following a tax increase on tobacco products in Pakistan, tobacco use declined by 19.2%, with 26.3% of smokers cutting down on cigarette consumption. Revenue collection from the Federal Excise Duty (FED) on cigarettes increased by 66%, from PKR 142 billion in 2022–23 to 237 billion in 2023–24⁴⁴. Imposing tax in financial year 2023 showed its result. The production of Pakistan Tobacco Company (PTC) faced a decline of 32% and Philip Morris by 39% percent in FY23, as compared to the last financial year⁴⁵. But the tax rates are lower^{46,47,48} in the region comparatively. World Bank recommended Pakistan to impose taxes on tobacco 0.4% of GDP. Health experts have appreciated the World Bank’s suggestion that the government should impose tax on cigarettes up to 0.4pc of the gross domestic product (GDP) and urged decision makers to implement it in the best interest of the people and government. In 2024, federal government imposed an FED of PKR44,000 (\$158) per kg on acetate tow, a basic raw material used in manufacturing filters.⁴⁹ Meanwhile, FBR issued Federal Excise General Order No. 1 of 2024 allowing GLT units to transfer unmanufactured tobacco to declared warehouses without paying duty, easing hardships for exporters. Strict conditions apply, including confirmed export orders, Commissioner Inland Revenue officer supervision,						

³⁹<https://tobaccoreporter.com/2024/06/11/pakistan-urged-to-permit-small-packs-for-exports/>

⁴⁰<https://www.thenews.com.pk/print/1245994-a-dangerous-precedent>

⁴¹<https://www.brecorder.com/news/40313510/delay-in-amending-sro-results-in-blockage-of-major-cigarette-export-order>

⁴²<https://www.brecorder.com/news/40234232/cigarette-brands-of-multinational-firms-fbr-chief-informs-senate-body-about-historic-increase-in-fed>

⁴³<https://www.ptc.com.pk/content/dam/endmarkets/pk/en/download/investors-and-reporting/investor-information/financial-information/Interim-Financial-Statements-for-Half-Year-ended-30-June--2023.pdf>

⁴⁴<https://www.emro.who.int/pak/pakistan-news/tobacco-costs-pakistan-164-000-lives-and-us-25-billion-annually-urgent-tax-increases-can-save-lives.html#:~:text=In%202023%2C%20following%20a%20tax,237%20billion%20in%202023%E2%80%9324>

⁴⁵<https://www.thenews.com.pk/print/1123558-fbr-system-shows-32pc-drop-in-tobacco-production>

⁴⁶<https://www.nation.com.pk/14-Nov-2023/pakistan-s-lenient-tax-regime-behind-lowest-cigarette-prices-in-region>

⁴⁷<https://www.brecorder.com/news/40273118/cigarette-prices-in-pakistan-lowest-in-the-region-due-to-lenient-tax-policy>

⁴⁸<https://dailytimes.com.pk/1147614/pakistans-lenient-tax-regime-offers-lowest-cigarette-prices-in-region/>

⁴⁹<https://www.brecorder.com/news/40319763>

and mandatory registers and transport documentation. A bank guarantee is required to cover potential duty losses and is released upon export proceeds realization⁵⁰.

The Finance Bill 2024 proposes a significant hike in duty rates for locally produced cigarettes to better regulate the tobacco industry. For high-priced cigarettes, duty will rise from Rs 9,000 to Rs 16,500 per 1,000 cigarettes for brands priced above Rs 12,500.⁵¹ The health experts showed their concern regarding Finance Bill 2024 they sparked controversy over public health concerns due to the hike in the cut-off price for low-tier tobacco brands from PKR 125 to 177. This move is expected to grant the tobacco industry a massive profit boost of PKR 120 billion.^{52,53}

Nicotine Pouch

The federal government has decided to regulate nicotine pouches (instead of ban) and recommended forming a working group. DRAP (Drug Regulatory Authority of Pakistan) has issued a letter to the Tobacco Control Cell, suggesting inclusion of relevant stakeholders. The group will review global regulatory policies and prepare recommendations accordingly.⁵⁴ Although smokeless tobacco remains largely unregulated, Pakistan has implemented some restrictions on its sale near educational institutions. However, there are no specific policies governing the sale, marketing or promotion of nicotine pouches. Additionally, under the current tobacco control law, there are no restrictions on flavoured tobacco products, including nicotine pouches.⁵⁵

In February 2025, a large-scale Vape Expo targeting youth and industry stakeholders was held in Lahore, Punjab. Despite opposition from SAMAR and its BI partners, who urged the government to ban or restrict the event due to its risks to national tobacco control efforts, the expo proceeded as planned.⁵⁶

Naswar (SLT)

The powdered tobacco snuff, has seen a significant rise in consumption within Islamabad and Rawalpindi. There is no policy for Smokeless Tobacco that benefit local tobacco companies and manufacturers.⁵⁷ In 2024, there was a proposal to impose a tax on *naswar* (smokeless tobacco) in Khyber Pakhtunkhwa in cabinet meeting CM face opposition about it. However, the Chief Minister of KP^{58,59} and the Minister for Agriculture opposed the taxation on Naswar^{60,62}. After debate a tax of Rs. 50 per kilogram on tobacco was approved by the KP

⁵⁰<https://www.brecorder.com/news/40319763>

⁵¹<https://pkrevenue.com/finance-act-2024-federal-excise-duty-on-cigarettes/>

⁵²<https://www.app.com.pk/domestic/tobacco-industry-enjoys-more-profits-despite-of-suffering-economy/>

⁵³<https://www.urdupoint.com/daily/livenews/2024-06-25/news-4063114.html>

⁵⁴ Khan J. Federal government decides to regulate 'nicotine pouches' 19 Sep 2024. <https://urdu.arynews.tv/govt-decided-to-regulate-nicotine-pouches/>

⁵⁵<https://tobaccocontrol.bmj.com/content/early/2025/04/07/tc-2024-059139>

⁵⁶<https://vapeexpo.pk/>

⁵⁷<https://tribune.com.pk/story/2434001/naswar-price-jolt-leaves-addicts-dizzy>

⁵⁸<https://www.brecorder.com/news/40305210>

⁵⁹<https://minutemirror.com.pk/kp-cm-opposes-tax-on-naswar-in-budget-2024-is-used-by-poor-shouldnt-be-taxed-231468/>

⁶⁰<https://dailyausaf.com/interesting-news/2024/08/26/53055/>

⁶¹<https://dailyqudrat.pk/268161/>

government, while the KP Assembly increased the tax imposed on *naswar* by Rs. 2.5 per kilogram, raising it to Rs. 7.5 per Kg.⁶³ Meanwhile, a delegation from Swabi led by MNA AsadQaiser, including MNA Shahram Khan Tarkai, Ministers Aqibullah Khan, Zahir Shah Toro, Faisal Khan Tarkai, and MPA Rangeez Khan, discussed the issues faced by tobacco farmers. They highlighted problems like rising electricity bills and inflation. The CM assured priority action and directed relevant authorities to address these concerns. He also announced necessary changes in provincial taxes on tobacco to support the farmers.⁶⁴ Even the CM refuses to withdraw tobacco cess and provincial excise duty decision will help the provincial government collect Rs7.5 billion for the province as a whole⁶⁵ but the KP government presented an amended Finance Bill in the Assembly to reduce tobacco tax rates. The KP government has withdrawn the increased tobacco tax but retained the existing Rs. 7.50/kg tax on *Naswar*. Facing political pressure, the government reversed its earlier decision, reducing the tax by 100%. Virginia tobacco tax was cut from Rs. 50 to Rs. 25/kg, and other types from Rs. 30 to Rs. 15/kg. The existing tax on *Naswar* will remain unchanged at Rs 7.50 per kilogram.^{66,67,68,69}

The tobacco manufacturing units operating under the Export Processing Zones Authority (EPZA) including General Tobacco Company, SM Ali Industries, Maraya International Pvt. Ltd., Pioneer Tobacco and Trading Company, China-Pakistan Tobacco Company, and Pak-China Tobacco—are receiving preferential treatment⁷⁰ that directly contradicts Pakistan's obligations under the WHO Framework Convention on Tobacco Control (FCTC). These companies benefit from a range of fiscal and regulatory incentives provided under the EPZA regime, such as tax exemptions that include customs duties, income tax holidays, and sales tax waivers. They are also allowed duty-free import of machinery and raw materials, enjoy simplified regulations and relaxed oversight within the designated free zones, and are given export incentives such as easier access to foreign currency transactions and repatriation of profits⁷¹. Such privileges clearly violate Article 7.3 of the FCTC, which states that parties should not grant incentives, privileges, or benefits to the tobacco industry for establishing or operating their businesses. This article, along with the broader principle outlined in Article 7, emphasizes that the tobacco industry should not receive preferential treatment due to its conflict with public health goals⁷². By extending these advantages to tobacco companies within export zones, the government is effectively subsidizing an industry that causes

⁶²<https://www.aaj.tv/news/30406602>

⁶³[https://www.dawn.com/news/1838756#:~:text=Unmanufactured%20tobacco%20will%20be%20levied%20Rs50%20per,Provincial%20Excise%20Duty%20\(Unmanufactured%20Tobacco\)%20Act%202024.&text=The%20Virgini%20tobacco%20\(flue%2Dcured%2C%20Barley%20and%20dark%2Daired%2Dcured\),Rs30%20per%20kg%20and%20snuff%20at%20Rs7.](https://www.dawn.com/news/1838756#:~:text=Unmanufactured%20tobacco%20will%20be%20levied%20Rs50%20per,Provincial%20Excise%20Duty%20(Unmanufactured%20Tobacco)%20Act%202024.&text=The%20Virgini%20tobacco%20(flue%2Dcured%2C%20Barley%20and%20dark%2Daired%2Dcured),Rs30%20per%20kg%20and%20snuff%20at%20Rs7.)

⁶⁴<https://tribune.com.pk/story/2470363/govt-to-solve-problems-of-tobacco-growers>

⁶⁵<https://www.thenews.com.pk/print/1198497-gandapur-refuses-to-withdraw-tobacco-cess-and-provincial-excise-duty>

⁶⁶<https://www.thenews.com.pk/print/1197329-kp-govt-decision-to-increase-tobacco-taxation-backed>

⁶⁷<https://www.express.pk/story/2672653/1>

⁶⁸<https://pakeconet.com.pk/news/122742/kp-tobacco-development-cess-reduced-over-farmers-protest>

⁶⁹<https://mashriqtv.pk/latest/355637/>

⁷⁰<https://epza.gov.pk/investors-directory/>

⁷¹<https://epza.gov.pk/incentives/>

⁷²https://iris.who.int/bitstream/handle/10665/75218/9789241501316_eng.pdf;jsessionid=C4397DD999749A65A52592E6FFF283CB?sequence=1#:~:text=The%20tobacco%20industry%20should%20not%20be%20a,conflict%20with%20the%20goals%20of%20public%20health.&text=Recommendations%207.1%20Parties%20should%20not%20grant%20incentives%2C,industry%20to%20establish%20or%20run%20their%20businesses

immense harm to public health, particularly among youth. These incentives reduce production costs, enhance profitability⁷³, and thereby weaken national tobacco control efforts. Furthermore, they undermine Pakistan's international commitments, as such support directly breaches the stipulations of Article 7.3 of the FCTC. The EPZA's ongoing facilitation of tobacco manufacturing not only provides the industry with unjustified tax and operational benefits, but also represents a serious violation of Pakistan's treaty obligations. This approach threatens to reverse public health gains, fosters the risk of increased tobacco use among youth, and enables the further expansion of the tobacco industry under the misleading premise of promoting export-led development.

Government Steps Against Tax Evasion, Tobacco and New Tobacco and Nicotine Products (NTNPs) Control

FBR to launch countrywide crackdown against tax evasion, The Federal Board of Revenue (FBR) has taken action against a well-known cigarette manufacturer, Philip Morris (Pakistan) Limited (PMPKL), allegedly for violating tax regulations.⁷⁴ The Ministry of National Health Services (NHS) has issued notices to at least 10 tobacco manufacturers, including a multinational company, over violation of tobacco advertisement guidelines.⁷⁵ Sindh Govt imposes ban on Shesha and Vapes at public places⁷⁶ Authorities have been directed to enforce the Prohibition of Smoking and Protection of Non-Smokers Health Ordinance 2002.⁷⁷ Chewing tobacco in Health Facilities in Sindh⁷⁸ was banned. Many raids on illicit tobacco factories were conducted.⁷⁹ The Civil Aviation Authority (CAA) has imposed ban on chewing betel leaf, betel nuts, Gutka and smoking in Jinnah Airport limits⁸⁰. KPK Govt imposed ban on vaping through administrative measure in district Peshawar⁸¹, Mardan⁸², Haripur⁸³, Abbotabad⁸⁴, meanwhile the government of Khyber Pakhtunkhwa has decided to launch crackdown against Naswar and cigarette. The same situation was found in Islamabad Capital Territory (ICT)⁸⁵. The main act is doing Punjab Government Bans

⁷³<https://epza.gov.pk/incentives/>

⁷⁴<https://profit.pakistantoday.com.pk/2023/08/23/fbr-seizes-cigarettes-from-a-leading-manufacturer-for-alleged-tax-violations/>

⁷⁵<https://pkrevenue.com/philip-morris-pakistan-and-fbr-locked-in-lengthy-legal-disputes/>

⁷⁶<https://www.dawn.com/news/1772931/health-ministry-puts-tobacco-manufacturers-on-notice>

⁷⁷<https://urdu.arynews.tv/major-initiative-by-the-ministry-of-health/>

⁷⁸<https://propakistani.pk/2024/02/24/sindh-bans-vape-and-sheesha-at-public-places/>

⁷⁹<https://jang.com.pk/news/1324192>

⁸⁰<https://timesofkarachi.pk/article/caretaker-sindh-health-minister-enforces-ban-on-gutka-mainpuri-and-cigarettes-during-duty-hours/2466>

⁸¹<https://tribune.com.pk/story/2432493/tobacco-chews-banned-at-hospitals>

⁸²<https://www.brecorder.com/news/40344533/customs-raid-in-sukkur-massive-counterfeit-cigarette-making-operation-uncovered>

⁸³<https://jang.com.pk/news/1343476>

⁸⁴<https://www.thenews.com.pk/print/1181657-illegal-cigarette-factory-sealed-in-jamshoro>

⁸⁵<https://arynews.tv/caa-bans-gutka-betel-leaf-chewing-in-jinnah-airport-limits/>

⁸⁶<https://www.app.com.pk/domestic/dc-peshawar-commended-over-imposing-ban-on-e-cigarettes-vapes-nicotine-pouches/>

⁸⁷<https://akhbarekhyber.com.pk/peshawar-a-strict-ban-has-been-imposed-on-the-use-of-e-cigarettes-vapes-and-nicotine-pouches/>

⁸⁸<https://www.dentalnews.pk/19-Jan-2024/e-cigarettes-sale-to-youngsters-banned>

⁸⁹<https://www.app.com.pk/domestic/dc-haripur-enforces-90-day-ban-on-e-cigarettes-and-vaping/>

⁹⁰<https://www.urdupoint.com/daily/livenews/2024-08-21/news-4127572.html>

⁹¹<https://arynews.tv/govt-sets-target-to-retrieve-rs-60bn-in-tax-from-tobacco-industry/>

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Tobacco & Nicotine Use in All Schools & Colleges ⁹² . RTO Rawalpindi destroys huge quantity of non-duty paid cigarettes Regional Tax Office (RTO), Rawalpindi here on Thursday carried out destruction of massive quantity of illicit, smuggled, counterfeit and non-duty paid cigarettes valuing around at Rs 194 million. BR raided a politically-linked illegal cigarette operation in Bahawalnagar, seizing non-duty-paid cigarettes and raw materials worth over Rs. 10 billion. The action exposed a massive Rs. 2.5 billion tax evasion through unpaid Federal Excise Duty on cigarette manufacturing inputs. ⁹³ The main act is doing Punjab Government Bans Tobacco & Nicotine Use in All Schools & Colleges ⁹⁴ .						
INDICATOR 4: Forms of Unnecessary Interaction						
8. Top level government officials (such as President/ Prime Minister or Minister ⁹⁵) 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
 Pakistan Tobacco Company (PTC) launched9697 Omni™, a global platform designed to drive awareness and informed discussions around Tobacco Harm Reduction (THR). The launch was attended by the Minister of State for Finance⁹⁸, alongside many key stakeholders from the public and private sectors, policymakers, and members of the media. Due to participation of State Minister Government owned news agency and Pakistan Television broadcast the news⁹⁹.						

⁹²<https://vocalpakistan.com/zero-tolerance-punjab-government-bans-tobacco-nicotine-use-in-all-schools-colleges-notification-issued/>

⁹³<https://www.urdupoint.com/daily/livenews/2025-02-18/news-4336979.html>

⁹⁴<https://vocalpakistan.com/zero-tolerance-punjab-government-bans-tobacco-nicotine-use-in-all-schools-colleges-notification-issued/>

⁹⁵Includes immediate members of the families of the high-level officials

⁹⁶<https://www.brecorder.com/news/40350319>

⁹⁷<https://dailyurdutimes.com.pk/?p=47799>

⁹⁸<https://www.app.com.pk/business/ptc-launches-omni-in-pakistan-to-advance-tobacco-harm-reduction/>

⁹⁹<https://ptv.com.pk/ptvnews/urdunewsdetail/2683>

On World No Tobacco Day (WNTD) PTC delegate met with Finance Minister while Defence Minister was also there after some period of time defence minister said¹⁰⁰ in his statement regarding tobacco even it was political the same narrative big companies of TI cracked from several years.



The Federal Minister for Commerce, inaugurated the export program^{101 103} under the “Made in Pakistan 3.0” initiative by Pakistan Tobacco Company Limited (PTC), reported.



Under this program PTC begins exporting products to Japan specifically nicotine Pouch Velo. During the inauguration ceremony, Jam Kamal highlighted the importance of PTC's contributions, stating that the company is a major taxpayer in Pakistan, after some period result PTC strengthens export portfolio with VELO launch in Japan again in Dec 2024

In March 2024, the prime minister awarded PTC the second-highest taxpayer award in all categories of taxes.¹⁰⁴

Governor KP Faisal Karim Kundi met with delegations from the Swabi tobacco growers, assuring them of support and a meeting with the Tobacco Board. He pledged to address their concerns, including taxation, He assured to hold a meeting of tobacco delegation with the Ambassador of Tajikistan.¹⁰⁵

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)

3

There is no official record that the government does not accept assistance from the TI on conducting raids. On 9 May 2025, Federal Minister for Finance, Muhammad Aurangzeb, on an official visit to the United Kingdom, held a meeting with senior representatives of BAT to discuss concerns around illicit trade, counterfeit tobacco products, and the implications of Pakistan's current excise duty regime.¹⁰⁶ The finance minister reportedly acknowledged the issue as a legitimate concern and assured BAT that the matter would be carefully reviewed

¹⁰⁰<https://www.youtube.com/watch?v=qHf7rjCw86c&t=40s>

¹⁰¹<https://www.bolnews.com/pakistan/2024/05/ptc-launches-made-in-pakistan-3-0-initiative-of-exports-to-japan/>

¹⁰³<https://arynews.tv/ptc-launches-exports>

¹⁰⁴ Express Tribune. BAT threatens to exit over tax hikes. 29 May 2024

<https://tribune.com.pk/story/2468753/bat-threatens-to-exit-over-tax-hikes>

¹⁰⁵<https://www.app.com.pk/domestic/governor-kundi-meets-delegations-of-sarhad-business-alliance-tobacco-growers/>

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during the upcoming federal budget process. The meeting reportedly concluded with “a mutual understanding on the importance of striking a balance between public health objectives and market formalization, and a shared interest in promoting a stable and rules-based trade environment in Pakistan.” The meeting was publicized on the Ministry of Finance Official Facebook page.¹⁰⁷						
						
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) NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.				3		
The government does not accept, support, endorse or enter into partnerships or agreements with the Tobacco Industry. However, there is an established working relationship between the government and the tobacco industry. According to S.R.O. 170(1)/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.¹⁰⁸ (the Status is same as Previous). 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 52,054,354 and 2021-22, \$US 77,337,191 and 2024-25 \$48,981,876 worth tobacco and cigarettes were exported as per reported on website of Pakistan Tobacco Board (PTB)¹⁰⁹. Meanwhile The FBR issued Federal Excise General Order No. 1 of 2024 allowing GLT units to transfer unmanufactured tobacco to declared warehouses without paying duty, easing hardships for exporters. Strict conditions apply, including confirmed export orders, Commissioner Inland Revenue officer supervision, and mandatory registers and transport documentation. A bank						

¹⁰⁶ Associated Press Pakistan. Finance Minister meets senior representatives of British American Tobacco. 9 May 2025. <https://www.app.com.pk/business/finance-minister-meets-senior-representatives-of-british-american-tobacco-in-london/>

¹⁰⁷ Pakistan Ministry of Finance. Facebook page. <https://www.facebook.com/FinanceMinistryPK/posts/london-9th-may-2025-finance-minister-muhammad-aurangzeb-meeting-with-senior-repr/1044407907873873/>

¹⁰⁸ <https://www.ptb.gov.pk/sites/default/files/2022-04/BoD%20Notification%202022.pdf>

¹⁰⁹ <https://www.ptb.gov.pk/sites/default/files/2024-09/Tobacco%20Export%20Data%20companies%202024-25%20%28uptodate%29.pdf>

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guarantee is required to cover potential duty losses and is released upon export proceeds realization¹¹⁰. The demand for Pakistani tobacco has increased globally¹¹¹, leading to a historic rise in exports. According to official documents, tobacco exports recorded a 538% annual increase, with 4,651 tons exported in August 2024 alone¹¹². Government measures, including duty-free warehouse transfers, have boosted Pakistan's tobacco exports and eased operational challenges for the industry. The provincial government of KPK has decided to initiate comprehensive modern research on tobacco crops grown in the central districts of the province to maximize benefits for landowners by introducing modern agricultural practice.^{113,114} Meanwhile, experts from the University of Agriculture Faisalabad have urged tobacco farmers to start transplanting seedlings into fertile, well-drained fields without delay. They advised watering the seedlings 6 to 8 hours before uprooting and transplanting them in the morning or evening. The Agriculture Department offers on-ground field staff support to assist farmers throughout the process¹¹⁵.						
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)						5
The Government does not have any disclosure policy yet. In May 2024, it was reported that BAT executives had met with Prime Minister Shehbaz Sharif and the Special Investment Facilitation Council (SIFC) national coordinator Lt General Sarfraz Hussain about the company's dwindling investment in Pakistan, which dipped to a 50-year low of 13.1% of GDP. During the meeting, BAT had warned it may pull its investment out from Pakistan if the government further increased taxes on cigarettes in the budget, stating that existing taxation has already caused a 38% slump in sales and increased the size of the illicit sector to 58%¹¹⁶. The Prime Minister had approved setting up a committee to review the regulations hindering exports to overseas markets.						
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 record for registering tobacco industry, TI entities, affiliated organizations, and individuals acting on their behalf.						

¹¹⁰<https://www.brecorder.com/news/40319763>

¹¹¹<https://dunya.com.pk/index.php/business/2024-09-23/2409403>

¹¹²<https://www.nawaiwaqt.com.pk/22-Sep-2024/1827225>

¹¹³<https://leadpakistan.com.pk/news/barakwal-directs-research-on-tobacco-crops-in-kps-central-districts/>

¹¹⁴<https://mashriqtv.pk/latest/393080/>

¹¹⁵<https://urdu.app.com.pk/urdu/%D9%81%DB%8C%D8%B5%D9%84-%D8%A2%D8%A8%D8%A7%D8%AF-%D8%8C-%D8%AC%D8%A7%D9%85%D8%B9%DB%81-%D8%B2%D8%B1%D8%B9%DB%8C%DB%81-%DA%A9%DB%8C-%DA%A9%D8%A7%D8%B4%D8%AA%DA%A9%D8%A7%D8%B1%D9%88%DA%BA-%DA%A9%D9%88/>

¹¹⁶ Rana S. BAT threatens to exit over tax hikes. Express Tribune. 29 May 2024.
<https://tribune.com.pk/story/2468753/bat-threatens-to-exit-over-tax-hikes>

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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
There is no such law prohibiting 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	
Nasir Mahmood Khan Khosa Chairman PTC 2025: Mr. Khosa is a retired Pakistani civil servant from Dera Ghazi Khan, belonging to the Pakistan Administrative Service. With an outstanding civil service career, he has held some of the country's most prestigious positions, including Principal Secretary to the Prime Minister of Pakistan, Chief Secretary of Punjab, and Chief Secretary of Balochistan. He was promoted to Federal Secretary in 2010. After retiring from civil service, he served as Executive Director at the World Bank from 2013 to 2017. Currently, Mr. Khosa is the Chairman of Government Holdings Pvt. Ltd. and a board member of Pak-Brunei Investment Company¹¹⁷. Mr. Zafar Mahmood Served as chairman of PTC from 2024, 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 assignment was Chairman WAPDA. He joined the PTC Board in 2016.¹¹⁸ Mohammad Riaz Independent Director Mr. Mohammad Riaz with over 36 years of experience holding senior roles in various ministries and departments of the Government of Pakistan, focusing on policymaking, diplomacy, and negotiations in trade, customs, finance, investments, and economic laws. His past assignments include serving at the Federal Board of Revenue, the Prime Minister's Office, and the National Assembly Secretariat. He has also served as Trade and Commercial Counsellor at the Embassy of Pakistan in Paris, France, and as Consul General in Istanbul, Turkey. He was a Director on the Board of the State Bank of Pakistan and a member of the Monetary Policy Committee. His last assignment was as Secretary of the National Assembly of Pakistan before joining the PTC Board in 2019. He was re-elected in April 2022 and currently serves as Chairman of the Audit Committee.¹¹⁹						

¹¹⁷<https://www.ptc.com.pk/en/who-we-are/governance/nasir-mahmood-khan-khosa>

¹¹⁸https://www.ptc.com.pk/group/sites/PAK_AMPC26.nsf/vwPagesWebLive/DOAMPCTX

¹¹⁹<https://www.ptc.com.pk/content/dam/endmarkets/pk/en/download/investors-and-reporting/corporate-reporting/PTC-Annual-Report-2024.pdf>

	0	1	2	3	4	5
Lt. General (Retd) NajibUllah Khan Independent Director PTC He served in Pakistan Army for 35 years. He served as the Quarter Master General and Engineer in Chief, Director General, Frontier Works Organization. Post his retirement from Pakistan Army, he served as the Vice Chairman of the Army Welfare Trust. ¹²⁰						
Muhammad Sualeh Ahmed Faruqi Independent Director PTC An Ex Federal Secretary to the Government of Pakistan. His last assignment was as the Federal Secretary Commerce where he served for a tenure of four years. As a member of Pakistan Administrative Service (PAS), he had held various key appointments during his career spanning almost 35 years including Secretary of Trade Development Authority of Pakistan, Chairman of Employees Old Age Benefits Institution (EOBI), CEO, Sindh Infrastructure Development Company Ltd, Commissioner Karachi Division besides holding positions in Prime Minister Office and at provincial and district levels. He has been particularly associated with a number of economic and structural/ Institutional reforms initiatives at various levels. ¹²¹						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)	0					
No current government officials are holding any positions in the tobacco business. However, there is no restriction on any relative of any government official to hold position in any private, corporate, business, trade etc., organizations including the tobacco industry. (The Status is Same as Previous)						
INDICATOR 7: Preventive Measures <i>SCORING for this section: 1. Yes, 2. Yes but partial only, 3. Policy/ Program being developed 4. Committed to develop such a policy/ program 5. None</i>						
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); <i>Yes – for whole of government code; Yes but partial if only MOH</i>			2			
National Tobacco Control Strategy (NTCS) has been approved ¹²² , and public health officials at the Ministry of National Health Services, Regulations, and Coordination follow the guidance of Article 5.3 of the WHO Framework Convention on Tobacco Control (FCTC) in their interactions with the tobacco industry.						
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 TAPS activities such as CSR or EPR (COPI0), as well as on tobacco industry entities,			2			

¹²⁰https://www.ptc.com.pk/group/sites/PAK_AMPC26.nsf/vwPagesWebLive/DOAMPCTX

¹²¹<https://www.ptc.com.pk/en/who-we-are/governance/m-sualeh-ahmed-faruqi>

¹²²<https://tsfc.gov.pk/wp-content/uploads/2023/12/National-Tobacco-Control-Strategy-2022-2030.pdf>

	0	1	2	3	4	5
affiliated organizations and individuals acting on their behalf, and tobacco industry funded groups and their research and marketing activities (Rec 5.2, 5.3, and COP9 and 10 Decision)						
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. ^{123,124} However, this information has not been accessed and utilized to regulate the tobacco industry. (The status is same as previous)						
19. The government has a program / system/ plan to consistently ¹²⁵ raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)		1				
Ministry of National Health Services Regulations and Coordination (MNHRC), Tobacco Control Cell and Provincial Tobacco Control Cells consistently raises awareness within its and other government departments. TCC and Provincial Tobacco Control Cells plays a key role in promoting public health awareness across government sectors. They have taken tobacco control at divisional level while appointing focal persons for tobacco control at district level. They regularly sensitize its own departments and collaborate with others to highlight critical health issues through workshops, circulars, and policy dialogues. The MNHRC, health department of provinces and provincial tobacco control cells ensure health a cross-sector priority. This proactive engagement supports better coordination in implementing national health policies.						
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						54

¹²³ www.secp.gov.pk/enforcement/orders/companies-ordinance-1984/

¹²⁴ <https://www.secp.gov.pk/document/companies-act-2017/?wpdmdl=28472>

¹²⁵ 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 TOBACCO COMPANIES	MARKET SHARE	BRANDS	SOURCE
1	Pakistan Tobacco Company (PTC) Subsidiaryof British American Tobacco Company (BAT)	74%	Gold Leaf Benson & Hedges Dunhill Capstan Embassy	https://www.tobaccotactics.org/article/pakistan-country-profile/#:~:text=Tobacco%20in%20Pakistan,-Market%20share%20and&text=In%202024%2C%20BAT%20had%20a,remaining%205%25%20of%20the%20market.
2	Philip Morris Pakistan	20%	Morven Red & White Malboro K-2	Same as above
3	Imperial Brands	0.3%		Same as above
4	Khyber Tobacco Company, Souvenir Tobacco Company Limited and Sarhad Cigarette Industries Ltd	5%	Kisan, Gold Street belong to Khyber Tobacco Co	Same as above
	Total	100		

	TOP TOBACCO INDUSTRY ALLIES/ FRONT GROUPS	TYPE (FRONT GROUP, AFFILIATE, INDIVIDUAL)	SOURCE
1	Alternative Research Initiative (ARI)	Front Group	https://globalactiontoendsmoking.org/grants/awarded-grants/alternative-research-initiative-pakistan-685/
2	Pakistan Alliance for Nicotine and Tobacco Harm Reduction (PANTHR)	Front Group Alliance by ARI	https://globalactiontoendsmoking.org/grants/awarded-grants/alternative-research-initiative-pakistan-685/
3	Quality Belligerence Pakistan (QBal)	Front Group	https://globalactiontoendsmoking.org/grants/awarded-grants/alternative-research-initiative-pakistan-685/
4	Innovative Development Solutions (Pakistan)	Front Group	https://globalactiontoendsmoking.org/grants/awarded-grants/alternative-research-initiative-pakistan-685/
5	Stop Illegal Trade	Front Group Financial Support for setting up "StopIllegalTrade" website and any media advocacy in print or social media against illegal trade done through this platform been provided by Philip Morris Pakistan, Habbib Oils Mills, Hibba Life and Superia Chai	https://stopillegaltrade.pk/
6	Behreen Pakistan	Front Group	https://www.facebook.com/BehtareenPkNow/
7	Omni	Platform Initiative by PTC	https://www.bat.com/investors-and-reporting/reporting/omni-report
8	Fair Trade in Tobacco (FTT)	Front Group	Front Group's website is not available, but it frequently appears in media



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.

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