

Lack of a rational tax formula for tobacco has led to a 100 billion rupee loss for the government

The multinational tobacco corporation and tobacco monopoly British American Tobacco (BAT) owns 84.13% shares of Ceylon Tobacco Company (CTC). Which places CTC in the holds of the foreign company BAT.

In Sri Lanka, consumption is sensitive to prices. It is a global fact that a 10% increase in prices of tobacco leads to 5% decrease in tobacco use, this applies in Sri Lanka as well. The government decides tax percentage while the company decides the final price of cigarettes. Therefore, it is the government's duty to tax a product to the maximum amount possible for the relevant product. Specifically, as the direct and indirect costs of tobacco far outweigh any revenue.

The 2019 tobacco tax increase did not follow a rational formula. In the 2019 budget the Ministry of Finance increased tobacco tax by 12%. Leading to a Gold Leaf cigarette stick price

increase of Rs. 5.33. The tobacco industry knew the tax increase will not affect sales therefore added an additional Rs. 4.65 to the price of a stick. Leading to a total Rs. 10 price increase per Gold Leaf cigarette. From the Rs. 4.65 added by the tobacco industry the company is able to earn about Rs. 12 billion more in profits per year. This Rs. 12 billion could have been earned by the government as tax revenue if the Ministry of Finance had a rational tax policy for tobacco.

Over the last five years incorrect and irrational taxing of tobacco has led to a loss of Rs. 100 billion for the Sri Lankan government. This indicates that the Ministry of Finance lacks competence in formulating a rational tobacco tax policy. If they possess the competency and are still continuing with irrational tobacco taxation it is a fraudulent act as it incurs a massive loss of tax revenue for the country. Whichever the reason the

current taxation for tobacco is too late, too low and flawed. As tobacco taxes are decided by the Ministry of Finance, they cannot escape the responsibility for this loss of revenue to the country. While cigarette sales have been decreasing in Sri Lanka profit of the

Rs. 100 billion

Total cost of building the Southern Highway

Airport Expressway
Rs. 39 billion

Moragahakanda Project
Rs. 91 billion

Samurdhi Fund (annual)
Rs. 39 billion

Profit of Ceylon Tobacco Company (CTC)* against cigarette production under different finance ministers

*subsidiary of British American Tobacco (BAT)



Source : Handbook of Drug Abuse Information in Sri Lanka - National Dangerous Drugs Control Board
: Annual Reports - Ceylon Tobacco Company
: performance Report - Excise Department of Sri Lanka

tobacco industry has been disproportionately increasing. This occurs because of irrational taxation of tobacco by the government. The percentage of the tobacco tax revenue for the government has been declining over the years. Currently the percentage of tax revenue for the government and percentage of company share for tobacco are almost at 50:50.

Sri Lanka needs a rational, transparent tax policy by the parliament. This policy must tax tobacco adjusted according to purchasing power and inflation and should tax all cigarettes equally without discriminating between low priced and high priced cigarettes. In conclusion, Sri Lanka needs a rational tax policy which is beneficial to the country.

School Drug Prevention Week

The School Drug Prevention Week was implemented from the 21st to 25th of January 2019. The theme for the week was "let's learn drug prevention from children". The week was initiated by the President and implemented



through the Presidential Task Force on Drug Prevention and the Ministry of Education. ADIC supported the week by providing our expertise and technical capacity to successfully implement this programme. For effective implementation of this programme, ADIC developed an evidence based, innovative tool kit on conducting drug prevention aimed at school children. The tool kit was available to download via the ADIC

website for anyone conducting the programme. It included banners, posters, leaflets, cartoon book and clips, documentary, drama scripts and a presentation. The videos and printed material developed covered a range of topics from the reasoning behind conducting drug prevention in schools to the behavioral and attitudinal changes expected through the drug prevention programme. There was a high demand for the material by all who were involved in the programme. The material can be accessed via the ADIC website (www.adicsrilanka.org). The prevention week was conducted targeting school children, parents, media personnel, law enforcement officers and politicians. School children were focused through this week as they are the main target of alcohol and tobacco industries as well as illicit drug producers. These industries try to absorb children to their market using various tactics as children make lifetime customers. Influencing policy makers to formulate policies which are beneficial to them is another main strategy used by these industries. The drug prevention week aimed to bring to light such strategies and enable children to voice their concerns to adults about such tactics and strategies and what is being done to mitigate their harm.



Pre-School Teacher Training

125 pre-school teachers from were trained on alcohol, tobacco and other drug prevention in Gampaha on the 8th of March and Hakmana on the 15th March. A perceptual change from early childhood is necessary for immunization against alcohol tobacco and other drugs. The main aim of the workshop was to train teachers to instill this change in their students. Capacity building was conducted for the teachers to achieve this aim. They learned activities to conduct with children, how to create awareness among parents in creating a prevention positive environment at home and the tactics used by alcohol and tobacco industries to make their products more interesting to children. The workshop was organized in collaboration with the Ekmana Public Health Inspector and officers from the Early Childhood Development Office and the Gampaha Primary Education Development Office.

Discussing ATOD Prevention in Jaffna

A group discussion was taken on the 28th of February with the Divisional secretary, MOH officers and Chairmans of local government in Jaffna district regarding alcohol, tobacco and other drug issues. Necessary policy action and mobilization to curb ATOD harm within the district was discussed. The local government Chairmans were lobbied to implement policies for ATOD control.



Workshop Series on Drug Prevention Counseling and Rehabilitation

ADIC initiated a workshop series from October 2018 to develop skills of professionals working in fields of Counseling and Rehabilitation. The opportunity to develop skills through the thirty years of experience ADIC possesses was much awaited for and requested by professionals in the field. Counselors, Development Officers, Community Correction Officers, Nurses, Doctors, Teachers, Field Officers and Interested Persons in this field joined these workshops. ADIC successfully conducted two workshops last year in October and November. The series continued to the third workshop held on the 14th and 15th of March 2019. Twenty six professionals successfully completed

this two day workshop. Our workshops are packed with evidence based scientific knowledge



on alcohol, tobacco, cannabis, heroin and other drugs and effective prevention methodology. Our aim is to

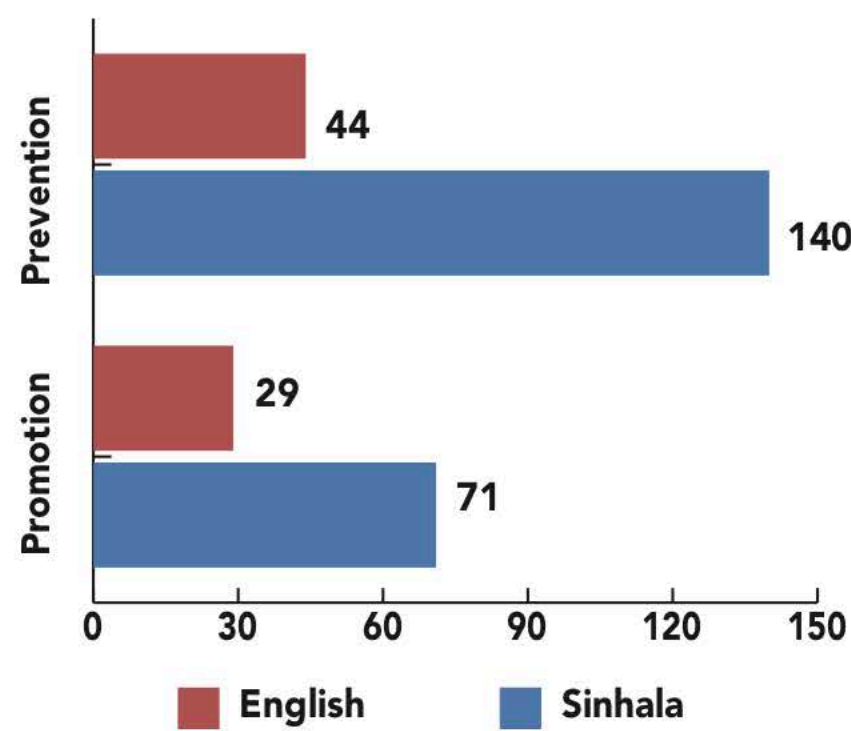
enhance skills of professionals to help individuals and groups to overcome drug problems and be free from drugs. We focus on making our sessions interactive by providing space for participants to share their experience and expertise with each other, and grow together. Furthermore, through the workshops, critical thinking ability of participants are developed to notice the myths about drugs and the tactics tobacco and alcohol industries use in promoting their products. The workshops contribute to change the perceptions of the participants and through them change harmful behaviors and attitudes people have about drugs.

ATOD Article Publishing Trend in Newspapers January - March

ADIC conducts a monthly analysis of references regarding alcohol, tobacco, cannabis, heroin and other drugs published in selected print media in the three mediums – Sinhala, Tamil and English. This analysis which is called “The Print Media

Analysis” leads to monitoring and identifying the prevailing/ current trends and patterns related to alcohol, tobacco, cannabis, heroin and other drug reporting.

This graph depicts articles published classified according to promotion and prevention. In the first quarter of 2019, for promotion 71 articles were published in Sinhala newspapers and 29 articles were published in English newspapers. In prevention articles, 44 were published in English Newspapers and 140 were published in Sinhala newspapers.



Prevention – Improve correct knowledge on ATOD, its industries and effective prevention.

Promotion - Glamorizing the substance, industry image building, surrogate advertising, social beliefs, unfair privileges and promotion through prevention.

Volunteer Corner



“I am Ayesha Ruwan. I joined ADIC as a volunteer while studying for my Bachelor’s degree at the University of Kelaniya. This is my first working experience. At the moment I work as the coordinator for Sinhala Media. This is a great opportunity for me to develop my presentation skills, group work and share knowledge and gain social experience. I also get drug prevention knowledge from ADIC. I share that knowledge with the society. To be honest, I would like to work with ADIC throughout my life.”

April 1st, The Day of People Who Still Smoke



ADIC conducted the annual April 1st campaign this year as well, covering all districts. The theme was "April 1st the day of people who still smoke".

Back in the day April 1st symbolized the April Fool's Day. Today, the theme of the day is changing to the day of people who still smoke cigarettes. Why is April 1st named as the day for people who still smoke? The answer is rather obvious and simple for anyone to understand. At present, the price of one cigarette is Rs. 65. If you think about a person who smokes 3 cigarettes a day, he has burned through 200 Rupees. The daily expense spent on cigarettes in our country is 40 crore. If anyone is adding to this loss by even 65 rupees, that person is spending money which can be used for family and economic development for cigarettes and making other countries richer through the tobacco industry.

About 40 to 50 years ago, smoking was glamourized and promoted as a trend in the country. The situation is completely different now. Nobody considers smoking cigarettes to be a trend anymore. Under these circumstances, if there are people who still smoke cigarettes, they should celebrate the 1st of April. To influence getting out of this disadvantageous habit and depict the futility of smoking all who still smoke were wished a happy birthday through our April 1st campaign.

Community mobilization for the campaign was very high. Groups from different bodies such as the Public Library Network, Municipal and Urban Councils, Police officers, Counsellors, Women Development Foundation and the general public joined in to campaign and create awareness in their communities.

The campaign received media coverage from Rupavahini, Ada Derana Website, U TV, SLBC, Ranwan FM, Lak FM and Hiru FM.



Case Story: Happiness is Alcohol-Free

I am Deepika Abeyssekara, from Siyambalagasvila, Hambanthota. Recently my daughter attained age and we planned to have a party to celebrate the occasion. When we were planning, my father, husband and brothers all said we need to serve alcohol in the party. They said to enjoy any event we have to give alcohol to people. They had invited all their friends and said everyone will make fun of us if we don't give alcohol. My husband went as far as saying he won't even attend the party if alcohol is not served.

I explained to them that we will have

to spend about one and a half lakhs just to give alcohol. I educated them on the lie people do after drinking alcohol and that there is no relationship between alcohol and happiness. I have a 17 year old son, I told them if we serve alcohol for this event and continue the alcohol norm, my son will also start this harmful habit one day.

In the end everyone understood that it's useless to serve alcohol and we decided to have the party alcohol-free. Our party was a huge success, about 500 people attended. Everyone had a good time. I didn't

have to go in debt buying alcohol. After our party there were two more parties in our village. Both of them were alcohol-free. They told me after seeing how great our party was without alcohol they all decided not to serve alcohol at parties in their homes.



Alcohol and Drug Information Centre (ADIC) – Sri Lanka is a well-recognised resource centre, promoting demand reduction of alcohol, tobacco and other drugs and advocating for formulating effective policies nationally, regionally and internationally over the last 25 years. ADIC Sri Lanka was inaugurated in April 1987 and was established as an independent organisation in 1990. ADIC is registered under the Companies Act No. 7 of 2007 and Voluntary Social Services Act No. 31 of 1980 as amended by Act No. 8 of 1998 of Sri Lanka and obtained Approved Charity Status in 1992.