

Unofficial translation

No.055/2020 from February, 04 2020

**Mr. Ion Chicu,
Prime Minister of the Republic of Moldova**

Copy: **Mrs. Viorica Dumbraveanu,
Minister of Health, Labor and Social Protection**

Copy: **Mrs. Anna Akhalkatsi,
Director of the World Bank Office in Moldova**

Copy: **Mr. Igor Pokanevych,
WHO Representative and Head of Country Office**

Dear Prime-Minister,

The Center for Health Policy and Studies (PAS Center) expresses its concern about the fact that since 27.12.2019 the health warnings, provided by the law no.278 / 2007 on tobacco control, do not apply in relation to tobacco and tobacco products sold in duty-free shops. In our opinion, the exemption from applying health warnings on tobacco products sold in duty-free shops not only undermines the Government's efforts to implement effective executive, administrative and/or other measures of tobacco control, but also creates certain risks of non-compliance with the commitments assumed by the Financing Agreement between the Republic of Moldova and the International Development Association (IDA) regarding the implementation of the Project "Moldovan Health Sector Modernization".

According to the Law no. 292/2018, which approved the amendment to the Financing Agreement "Operation for the Modernization of the Health Sector" between the Republic of Moldova and AID of July 11, 2014 and the Program Credit No. 5469-MD and Project Credit No. 5470-MD, Moldova has committed to print health warnings on any unit packet and package of domestic or imported tobacco products placed on the market. According to this amendment, approved by Law no.292/2018, the disbursement of 323,500 SDR is intended to achieve the following indicator: *"DLR # 1.1: starting with 2018, all imported and locally produced cigarettes released on the market comply with the regulation on tobacco labeling"*. Given the fact that **duty-free shops are located in the entry area of the territory of the Republic of Moldova** and they sell goods to people entering the country, **tobacco and tobacco-related products are placed on the domestic market without health warnings** which should be applied according to the Art. 15 , 16, 17, 17¹, 23 of the Law no.278/2007 on the control of tobacco and the Health Regulation regarding the health warnings and the labeling of tobacco products, rolled

tobacco and of tobacco-related products, approved by the Government Decision no. 613 as of 01.08.2017. Thus, the Republic of Moldova will not reach the indicator in the Financing Agreement with IDA and will miss the SDR 323,500 stipulated in the Financing Agreement between the Republic of Moldova and IDA, in order to implement the Project "Health Sector Modernization in the Republic of Moldova".

At the same time, the exception of applying health warnings on tobacco and tobacco-related products marketed in duty-free shops located at the entry area on the territory of the Republic of Moldova generates inequities for the in-country economic operators, who sell the same tobacco and tobacco-related products under different conditions and thus unfair competition is taking place by exempting the application of health warnings in the case of goods marketed at duty-free shops established at the entry into the country.

It should be noted that the exemption from the application of health warnings for tobacco and tobacco-related products intended for sale in duty-free shops, bars and restaurants has created opportunities for smuggling and illicit trade of cheap cigarettes. Smuggling causes serious harm to society by undermining the tobacco products taxing system, reducing the average price for cigarettes, and making smoking accessible to the young and to people with low income, who, otherwise, could quit smoking. Even worse, the money amassed by smuggling tobacco products go to criminal groups. Smuggling results in significant loss of state budget revenues, which are used as an important resource of financing tobacco control measures and other public health actions.

Dear Prime Minister, in this situation of great concern, we ask for your and the Government of Moldova full support and prompt implementation of the 2003 World Health Organization Framework Convention on Tobacco Control, including by developing and approving a Government decisions on the approval of the draft law to eliminate the exception of applying health warnings on tobacco and tobacco-related products marketed in duty-free shops, bars and restaurants.

Sincerely,

Signed

Director, Center for Health Policies and Studies (PAS Center)