

#NoTobacco

BEWARE!
ILLEGAL TOBACCO

Stop illicit trade of tobacco

WORLD NO
TOBACCO DAY

31 MAY

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Why is it a health concern?

Undermines price and tax measures making tobacco more affordable, affecting young people, the poor and other vulnerable groups



First places in the WHO European Region

- Tobacco kills 1,6 million people each year in the WHO European Region
- Highest adult smoking prevalence (28%) in the world
- Highest proportion of deaths (16%) attributed to tobacco



Highest number of seized cigarettes

95% of all seized cigarettes globally
were seized in Europe
(1.952 million cigarettes)

Huge potential gain in eliminating illicit trade

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Saving 38,000 lives per year

**Illicit trade in the
European Region
is 6-10% of the
total market**

**A 1.9% decline in
consumption
would save over
38,000 lives per
year**

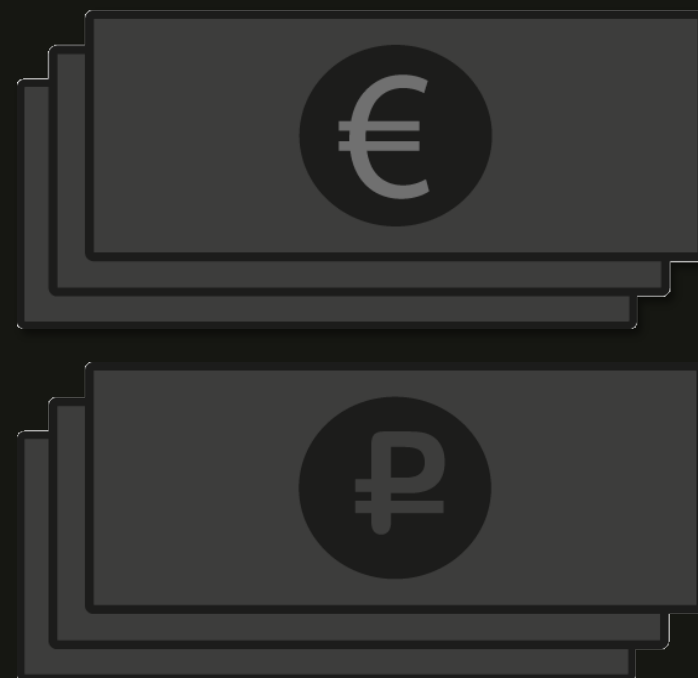


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9 to 11 billion EURO to gain

Even when taking the fall in consumption into account due to increased prices, the WHO European Region stands to gain between 9 and 11 billion EURO in revenue



Factors influencing illicit trade

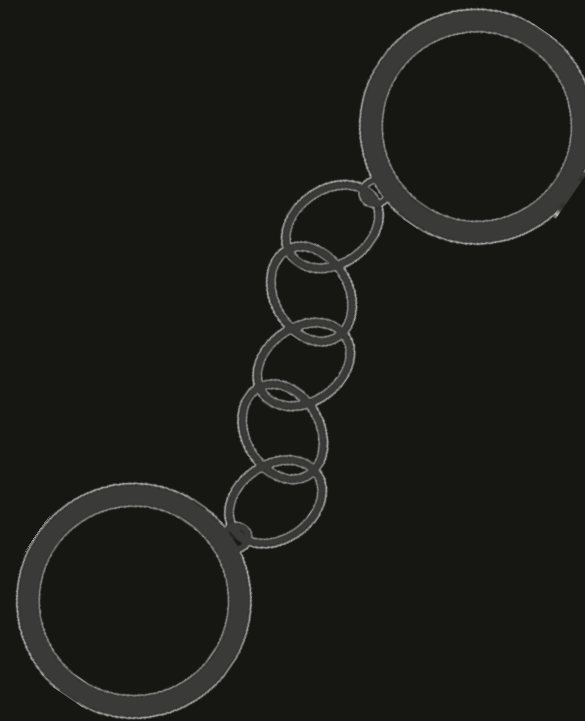
More smuggling takes place in countries with lower cigarette prices. Other factors include:

- Weak governance and lack of high-level commitment
- Porous borders (ease of entry into country)
- Industry participation
- Well organized crime networks
- Existence of informal distribution channels
- Likelihood of being caught
- Corruption levels

What has worked?

Different approaches to combat illicit trade include investing in tighter control, higher penalties, stamp-applied tracking etc.

Examples from Italy, Spain, the UK and Turkey



Italy and Spain reduced smuggling - how?

Scaled-up country cooperation
(e.g. joint customs activity
and intelligence gathering)

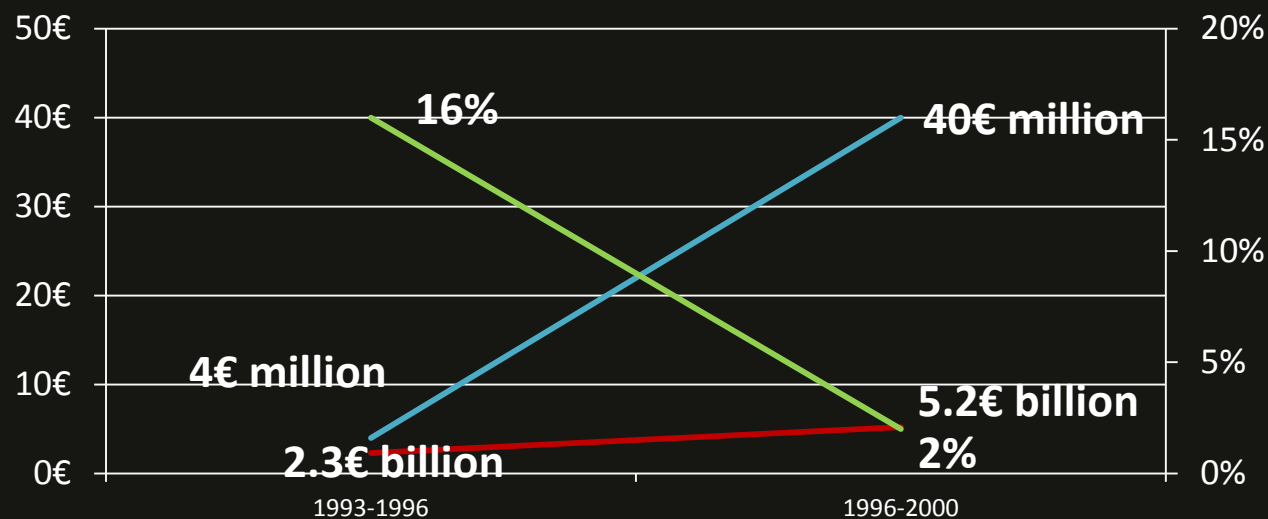


Introduced anti-smuggling legislation

Imposed higher penalties on smugglers

Result: Illicit market share was reduced
from 15% to 2% in Italy and 6% in Spain

Combating illicit trade in Spain: a good investment



- Investment combating cigarette smuggling (€ million)
- Cigarette tax revenue (€ billion)
- Market share smuggled cigarettes (%)

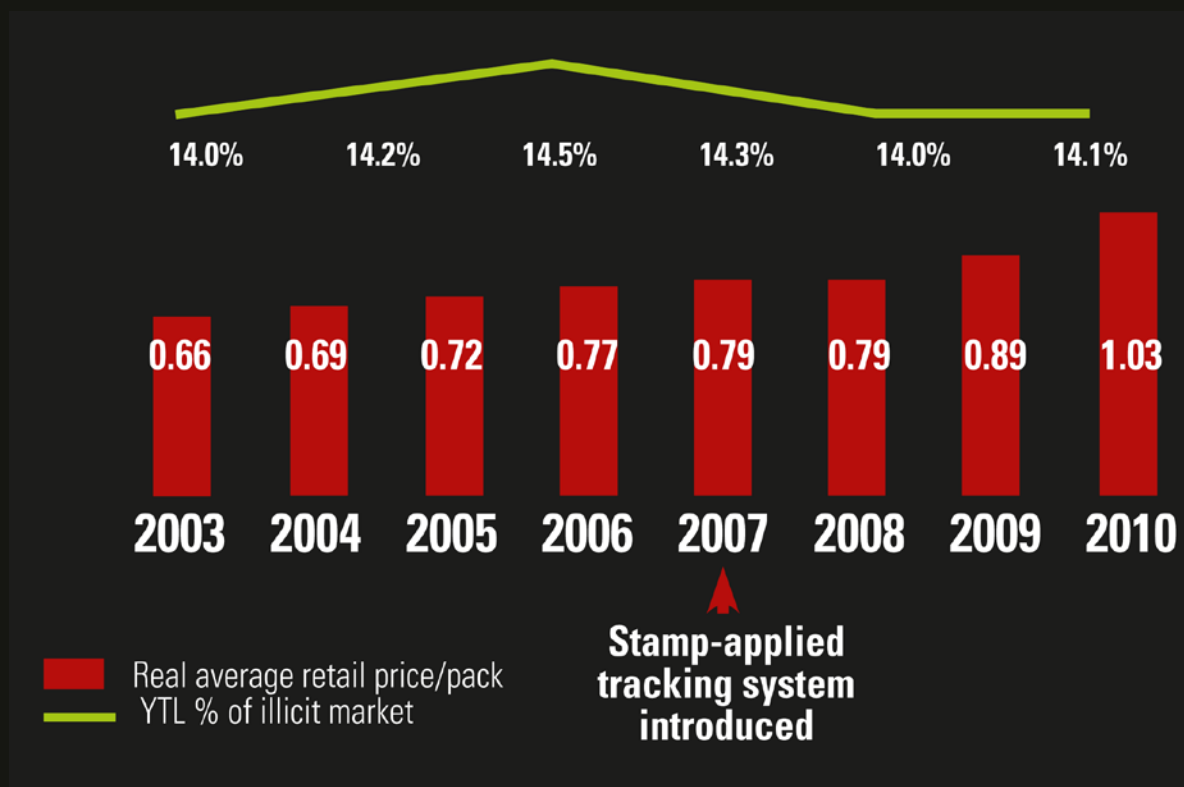
How the UK decreased illicit trade

- Additional customs officers
- Specialist investigators and intelligence staff
- x-ray scanners
- Tougher sanctions and penalties
- Public awareness campaign
- Supply chain legislation
- Confiscation of proceeds
- International cooperation – overseas intelligence officers



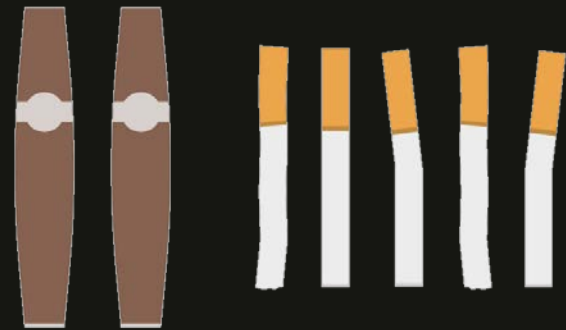
Turkey a stamp-applied tracking system helped raise taxes without higher illicit trade

Retail prices and illicit market share in Turkey



Industry is part of the problem

Controlling information about illicit trade is useful for industry to undermine tobacco control policies



Illicit Trade Protocol (ITP)

Supplementary treaty to



F C T C

WHO FRAMEWORK CONVENTION
ON TOBACCO CONTROL

7 have ratified

(Austria, Spain and Turkmenistan in Europe)

What should be done? Ratify the Illicit Trade Protocol

Protocol contains measures to:

- control the supply chain
- improve law enforcement
- enhance international cooperation

