

Tobacco smuggling - A social evil

Key messages on illicit tobacco



KEY MESSAGES AND INDEPENDENT SUPPORTIVE QUOTES

- 1. Illicit tobacco is big 'business' for criminals, is growing in scale and is adversely impacting the revenue of the Sri Lanka.**
- 2. Most illicit trade in tobacco is controlled by large-scale criminal organizations who are involved in many other criminal rackets – alcohol and drug smuggling and trafficking in armaments and people.**

This is not a couple of extra cartons in a holiday suitcase; this is large-scale criminal activity funding drug rings, arms trading, people-trafficking and prostitution rackets. Ordinary people are coerced into becoming involved in criminal activity and illicit cigarette traders often use children as 'runners' to avoid prosecution.

"The illicit trade in tobacco products, especially cigarette smuggling, is a criminal activity which fuels organised crime and undermines social order [and] is linked to other forms of smuggling such as drugs, weapons and other anti-social activities."

"There is no doubt that serious organised crime groups are involved in tobacco smuggling. By buying cheap cigarettes, you are threatening your society by encouraging criminality."

"Tobacco smuggling is lucrative and widespread. It helps to fund global terrorism and conflict, encourages corruption and remains a source of funds for some of the most repressive regimes in the world."

"The trade in illicit tobacco is not a victimless crime. Those who are involved are very often also responsible for other forms of serious organised crime, such as drug dealing, money laundering and human trafficking. The commodity is not important, so long as it generates profits. The money raised from this trade is benefiting no-one other than the criminals, many of whom live lavish lifestyles funded by their illegal activities."

"The smuggling of cigarettes and hand-rolling tobacco is also a key business for organised criminal gangs who use the proceeds of this crime to fund the smuggling of drugs, weapons and also human beings."

"Tobacco smuggling is organised crime on a global scale, with huge profits ploughed straight back into the criminal underworld, feeding activities such as drug dealing, people smuggling and fraud. Purchasing cheap cigarettes without the duty paid on them means trading with criminals and under-mining honest businesses."



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- 3. Criminals trading in illicit tobacco are unscrupulous about both the quality of their products - which are often counterfeit - and to whom they sell them; thus potentially undermining public health objectives.**

Counterfeit cigarettes are made in unregulated conditions, to poor quality standards and often contain unwanted content, such as rat faeces. Smugglers sell at cheap prices, attracting youth to smoke and enabling adult smokers to smoke more than they otherwise might. Smugglers also sell freely to youth, encouraging underage initiation and consumption.

- 4. While illicit trade's principal driver is the existence of large, tax-driven, price differences between markets, other policies towards tobacco do, or potentially could, exacerbate the problem.**

The potential impact of changes to policy towards tobacco on the scale of the illicit market should be carefully considered by Governments and regulators.

The illicit trade in tobacco products deprives governments of large amounts of legitimate revenue, which could otherwise be used to build hospitals and schools, improve infrastructure, and protect the health and well-being of citizens.

"The financial gains, of course, for criminals are absolutely enormous and we estimate total tax revenue losses in the Country at over Rs.1 billion per year.

"The Government believes that tobacco smuggling must be tackled head on. Tobacco fraud costs taxpayers over 1 billion a year, depriving the general public of revenue to fund vital public services that support us all."

"To any citizen who is tempted to make a purchase from the illegal traders, I would say "think about what you are buying". You may pay very dearly for an apparently cheap cigarette. You do not know where it is coming from. You do not know what is in it. You are substantially increasing the threat to your health. You are threatening your society by encouraging criminality.

