

"...price is only one of many factors that influence smuggling rates. Other more important factors include: the tobacco industry's own role in facilitating smuggling; the lack of appropriate controls on tobacco products in international trade; and the existence of entrenched smuggling networks, unlicensed distribution, lax anti-smuggling laws, weak enforcement and official corruption." WHO, 2000

Between 300 and 400 billion cigarettes were smuggled in 1995, equal to about one third of all the legally imported cigarettes.

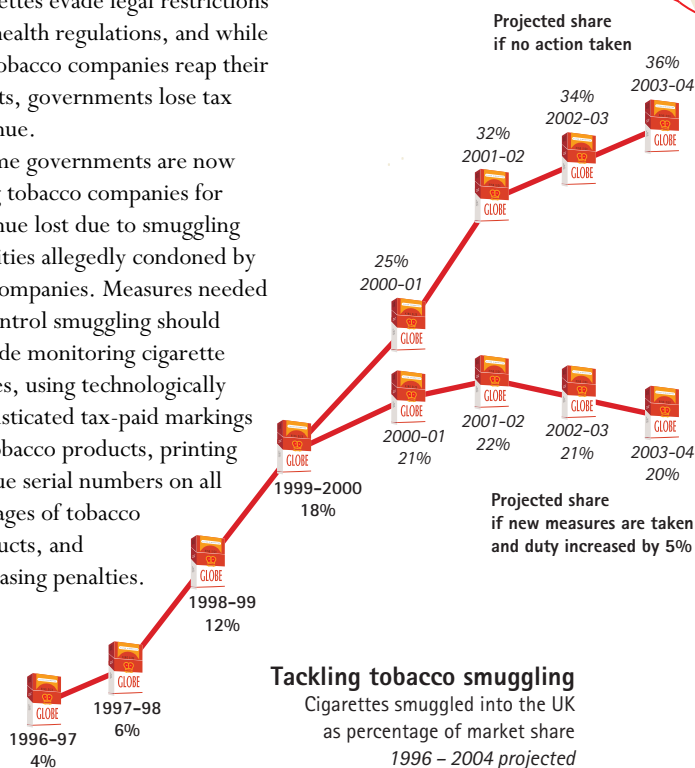
Cigarettes are the world's most widely smuggled legal consumer product. They are smuggled across almost every national border by constantly changing routes.

Cigarette smuggling causes immeasurable harm. International brands become affordable to low-income consumers and to image-conscious young people in developing countries. Illegal cigarettes evade legal restrictions and health regulations, and while the tobacco companies reap their profits, governments lose tax revenue.

Some governments are now suing tobacco companies for revenue lost due to smuggling activities allegedly condoned by the companies. Measures needed to control smuggling should include monitoring cigarette routes, using technologically sophisticated tax-paid markings on tobacco products, printing unique serial numbers on all packages of tobacco products, and increasing penalties.

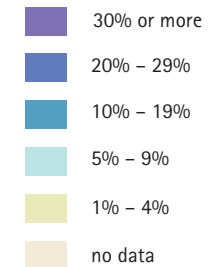
Tackling tobacco smuggling

Cigarettes smuggled into the UK as percentage of market share 1996 – 2004 projected

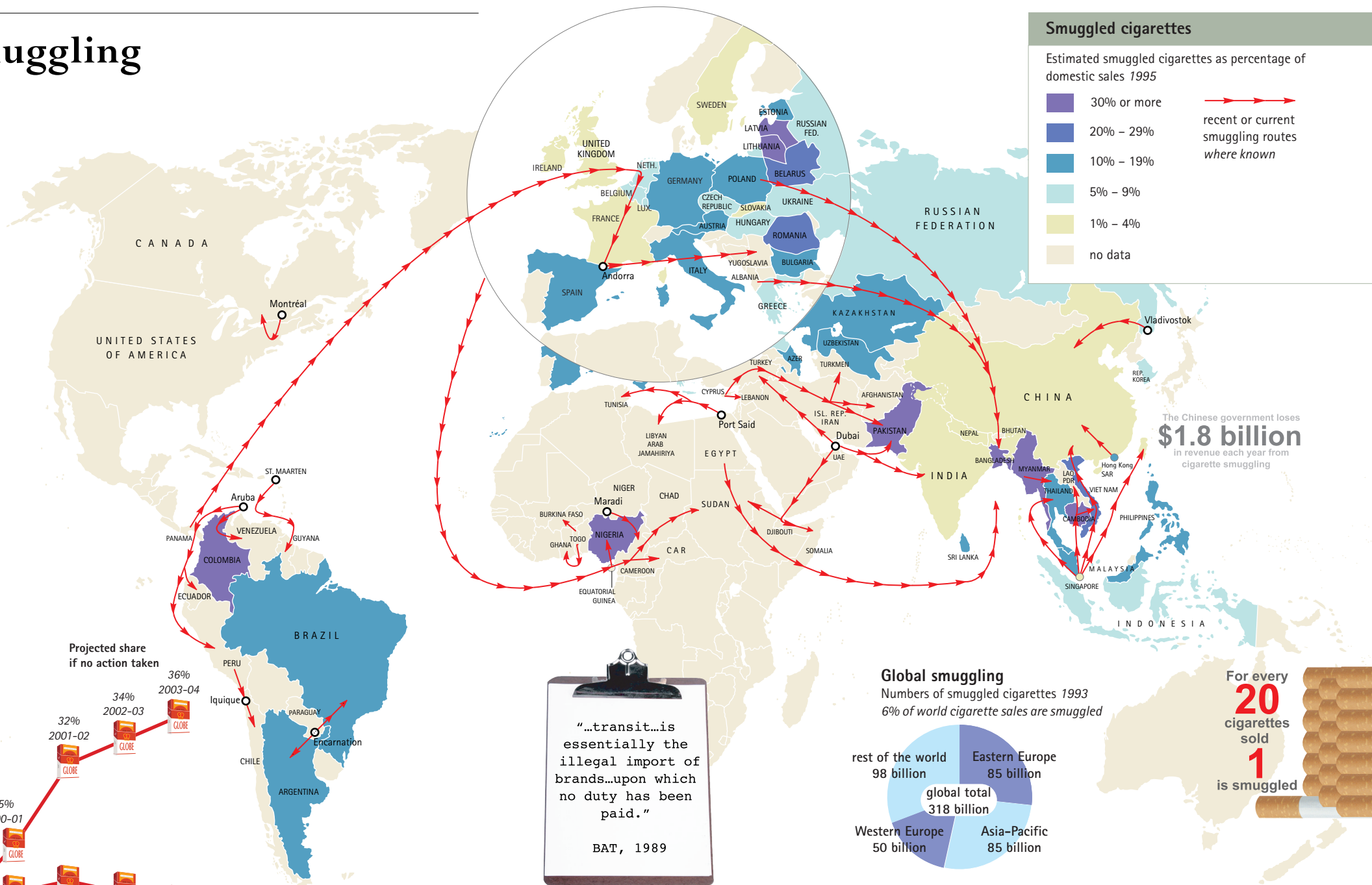


Smuggled cigarettes

Estimated smuggled cigarettes as percentage of domestic sales 1995



recent or current smuggling routes where known

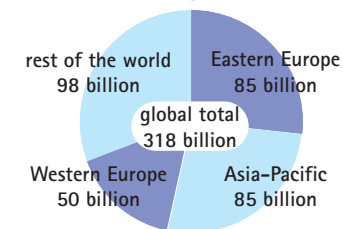


"...transit...is essentially the illegal import of brands...upon which no duty has been paid."

BAT, 1989

Global smuggling

Numbers of smuggled cigarettes 1993
6% of world cigarette sales are smuggled



Lost revenue

Tax revenue lost for each lorry load smuggled into the European Union US\$ 1997



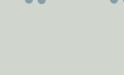
Meat / butter

\$54,000



Alcohol

\$480,000



Cigarettes

\$1,200,000

