



<http://tobacco.cleartheair.org.hk>
tobacco@cleartheair.org.hk

Dear Financial Secretary,

18th February 2010

Please find herewith self explanatory Government supplied data which demonstrates that your excellent move to increase tobacco taxation in your last budget has had the required results.

The quantity of duty paid cigarettes' sales fell by over30% in 2009 compared to 2008. However the cigarette tax collected in 2009 increased by 2% above 2008.

Meanwhile the Customs Department had an excellent year which resulted in more arrests than 2008 whilst driving the syndicates to reduce the amount of available contraband that could be seized. We note from Customs information that only 30-40% of local seizures were counterfeit tobacco items meaning that 2/3 of the contraband in Hong Kong in 2009 was smuggled genuine product, supplied to the syndicates whether directly or indirectly in their supply chain by the tobacco companies themselves.

We urge you to continue this upwards tobacco taxation health measure trend in your upcoming budget and that Government can consider fraud and inland revenue tax avoidance actions against the sources of the smuggled genuine tobacco products.

Kind regards,

James Middleton

Chairman anti tobacco committee

www.cleartheair.org.hk

-----Original Message-----

From: catherine_py_lam@customs.gov.hk [mailto:catherine_py_lam@customs.gov.hk]

Sent: Thursday, February 18, 2010 11:49 AM

To: dynamco@netvigator.com

Cc: janet_yt_lee@customs.gov.hk; carl_ck_lam@customs.gov.hk; wp_cheung@customs.gov.hk;

sk_ngan@customs.gov.hk

Subject: 轉寄: request for data

Dear Mr. Middleton,

Thank you for your enquiry of 15.2.2010 regarding the data of duty-paid cigarettes.

The quantity and revenue of duty-paid cigarettes in the last three years are as follow:

	2007	2008	2009
Quantity of duty-paid cigarette (Million sticks)	3,495.73	3,790.22	2,887.30
Revenue Collected (HK\$ Million)	2,810.57	3,047.33	3,109.97



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(P Y LAM)
for Commissioner of Customs and Excise

Hong Kong Customs Department figures

Statistics on Cigarette Cases ⁽¹⁾	2007	2008	2009 [#]	compare 2007 with 2009
No. of Cases	1 819	1 577	2 898	up 59.3%
No. of Arrests	1 446	1 183	2 265	up 56.6%
Buyers	79	66	208	up 163.29%
Sellers	433	398	695	up 60.5%
Quantity of Cigarettes Seized (sticks)	109 000 000	73 000 000	59 000 000	down 54.1%
Significant Cases (>500 000 sticks)	15	13	16	

Notes:

⁽¹⁾ Including Importation, Exportation, Transshipment, Distribution, Storage and Peddling cases but excluding Compounding and Abandoned cases.

[#] Provisional figures and subject to slight revision.

Quotes by the Financial Secretaries of Hong Kong

"It has been put to me persuasively... that for health reasons a hefty increase [in tobacco excise] is now justified. So with a particular view to reducing the attractiveness of smoking to young people, I am proposing an increase of 200% in the rate of duty".

Piers Jacobs . Second Reading of Appropriation Bill, 1991, Official Report of Proceedings, Hong Kong Legislative Council. 1991. Hong Kong Office of the Legislative and Executive Councils, p. 38

Text of the Budget speech by Financial Secretary John Tsang on Tobacco Tax: Feb 25 2009 Medical and Health 108. Separately, for public health reasons, I propose to increase tobacco duty by 50 per cent with immediate effect. The duty on cigarettes will increase from around \$0.8 to about \$1.2 per stick. We will also continue to step up our efforts on smoking cessation, as well as on publicity and enforcement in tobacco control.