

# CALL TO ACTION

Governments should not heed tobacco industry threats of rising illicit trade as an excuse to postpone or avoid implementing strong tobacco control measures, but should take active measures to fight illicit trade, such as employing comprehensive track-and-trace systems.

## EXAGGERATED IMPACT



### TAX INCREASES

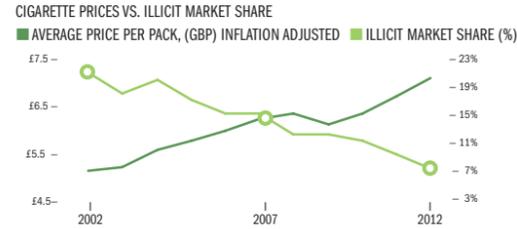


**“THIS TAX RISE IS FURTHER GOOD NEWS FOR CRIMINALS** who already view the UK as a smugglers’ paradise and do not care what age their customers are.”  
—Japan Tobacco International, 2010

### THE TRUTH

Due to periodic cigarette tax increases, the inflation-adjusted price of cigarettes in the UK increased by 37% from 2001 to 2012. At the same time the **ILLICIT MARKET SHARE DROPPED BY OVER TWO THIRDS.**

### THE PROOF: NO INCREASES IN ILLICIT TRADE



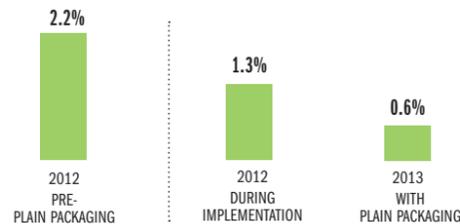
### PLAIN PACKAGING



“At the end of the day **NO ONE WINS FROM PLAIN PACKAGING EXCEPT THE CRIMINALS** who sell illegal cigarettes around Australia.”  
—British American Tobacco Australia, 2012

**NO INCREASE IN AVAILABILITY OF ILLICIT TOBACCO** was observed following the implementation of plain packaging in Australia.

### PERCENTAGE OF STORES OFFERING ILLICIT CIGARETTES



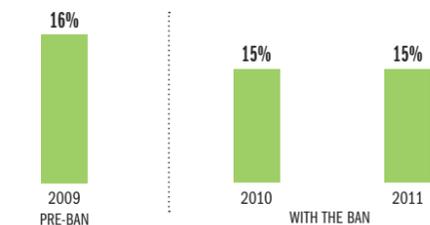
### DISPLAY BANS



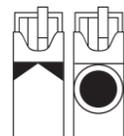
“**WE BELIEVE THAT PRODUCT DISPLAY BANS ... FOSTER ILLICIT TRADE IN TOBACCO PRODUCTS,** as it is much easier to disseminate such products if they do not need to be displayed.”  
—Phillip Morris International, 2010

**NO CHANGE IN PREVALENCE** of illicit cigarettes was observed following the 2009 implementation of display bans in Ireland.

### PERCENTAGE OF ILLICIT PACKS IN A SURVEY OF PACKS IN SMOKERS’ POSSESSION



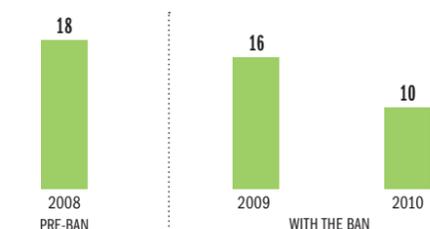
### PACK SIZE RESTRICTIONS



“The introduction of minimum pack sizes of 20 for cigarettes... would ban the sale of 2 in 5 cigarette packs... thereby **FORCING SMOKERS TO BUY... MUCH CHEAPER PRODUCTS FROM ILLICIT CHANNELS.**”  
—Japan Tobacco International, 2012

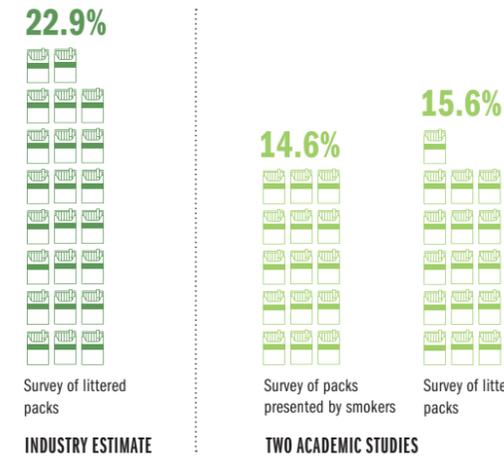
While in the mid-2000s more than 15% of all cigarettes smoked in Finland were sold in packs of less than 20 sticks, these packs were banned in 2008. As indicated by seizure data, there is **NO SIGN THAT THE BAN WAS FOLLOWED BY AN INCREASE IN ILLICIT CIGARETTE TRADE.**

### NUMBER OF CONTRABAND CIGARETTES SEIZED BY FINNISH CUSTOMS IN MILLIONS OF STICKS



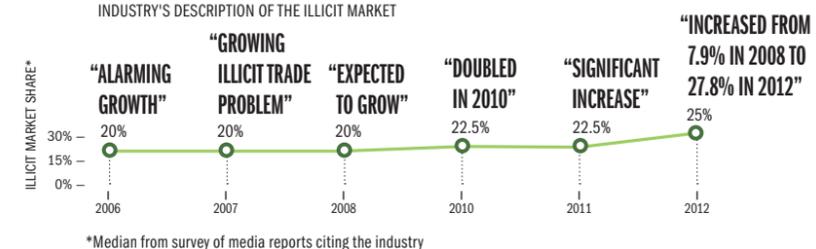
## EXAGGERATED SCOPE

Tobacco industry estimates of illicit cigarette trade vs. estimates from two surveys using transparent and rigorous academic methods: Warsaw, Poland, September–October, 2011



## EXAGGERATED URGENCY

In South Africa, the tobacco industry has created the false impression that illicit trade was rapidly growing, which according to the industry’s own estimates was not the case.

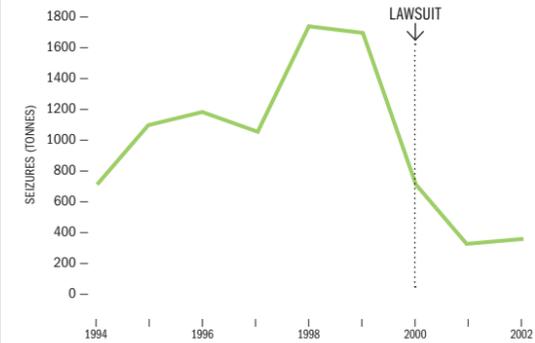


Tobacco companies countered policy proposals aimed to control tobacco use in the past by arguing that cigarettes were not harming the health of smokers. Few people would believe those arguments today. That is why tobacco lobbyists reoriented the debate, and today the primary argument that the tobacco industry uses to oppose regulation is that new tobacco control measures will cause a massive increase in cigarette smuggling **EXAGGERATED IMPACT.**

Because of the competing interests between profit-maximizing tobacco companies and public health and welfare concerns, arguments regarding illicit tobacco trade that tobacco companies are presenting in public discussions around new tobacco control regulations should be treated with particular caution. Studies paid for and presented by cigarette manufacturers are generally not independently-verified or peer-reviewed and, unlike academic research studies, are not replicable **EXAGGERATED URGENCY.** Growing evidence suggests that these industry-commissioned studies overstate the illicit cigarette trade problem **EXAGGERATED SCOPE.**

## INDUSTRY INVOLVEMENT

The tobacco industry was, and almost certainly still is, involved in cigarette smuggling. Cigarette seizures in Italy



In November 2000, the European Commission filed a civil action against Phillip Morris and RJ Reynolds, accusing the companies of being involved in smuggling cigarettes. Just after the lawsuit, the inflow of illicit cigarettes to Europe suddenly declined.

*Illegal Cigarettes: Who’s in Control?*, a video created and distributed by British American Tobacco tries to

**LINK GOVERNMENT REGULATIONS OF THE TOBACCO MARKET TO ILLICIT TRADE, VIOLENCE, AND CRIME.**



“*Illicit* is the industry’s perfect response to controls on tobacco.”

—ANNA GILMORE, professor of public health at the University of Bath, UK, 2014

The UK employs thousands of well-equipped staff working to detect, investigate, and stop the illicit tobacco trade. Each year, at a cost of under GBP100 million, this strategy **PREVENTS A LOSS OF GBP1 BILLION** in tobacco taxes: A return on investment of 10 to 1.