



FOR IMMEDIATE RELEASE

Federal Budget Falls Short with Expedited Tax Increase on Regulated Tobacco and a Lack of Dedicated Funding to Prevent Contraband Tobacco Use

February 28, 2018, (Ottawa) - Today, the National Coalition Against Contraband Tobacco (NCACT) calls foul on the Federal Government's mixed messages on tobacco control in the 2018 budget. The budget raised tobacco taxes beyond inflation, but does not commit the resources necessary to address Canada's large supply of cheap, illegal cigarettes.

"Canada has a massive contraband tobacco problem, representing the biggest challenge to reducing smoking rates. A baggie of 200 cigarettes costs as little as \$8. Increasing the tax on legal cigarettes, which cost upwards of \$100 per carton will make contraband cigarettes all the more attractive, especially when paired with other provincial tax increases," said Gary Grant, a 39-year veteran of the Toronto Police Service and national spokesperson for the NCACT. "Eliminating cheap, illegal cigarettes are the low-hanging fruit for reducing smoking. Unfortunately, the 2018 budget contains little in the way of new resources to address this problem."

The RCMP have identified 175 organized crime groups involved in the illegal cigarette trade, who use the proceeds to fund their other illegal activities, including guns, drugs and human smuggling.

Ontario has the worst contraband tobacco problem in Canada, with about one in three cigarettes purchased in the province being illegal. 50 illegal factories fuel the contraband market, each able to make as many as 10,000 cigarettes a minute. Illegal cigarettes are making their way to market in all parts of Canada with busts occurring frequently in the Western provinces and Atlantic Canada.

"Price difference between legal and illegal cigarettes drives people to source contraband tobacco because it is so cheap and much too easy to get in Canada," said Gary Grant. "In this budget, the government acknowledges that price drives tobacco consumption, but increasing the price of legal product will do nothing to reduce the availability of illegal cigarettes. Enforcement is key to stopping contraband, but the budget has very little in the way of new resources to do so."

S-5, being considered by the Health Committee today, will introduce the plain packaging of tobacco products and will allow the contraband tobacco market to further flourish by making legal and illegal product harder to distinguish, confusing consumers and law enforcement.

"By doing nothing, Canada has had virtually no success in reducing the prevalence of contraband tobacco in recent years. It seems content to continue this strategy," concluded Grant. "If the government is serious about reducing smoking rates, targeting cheap, illegal cigarettes is the only way to do so."

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The National Coalition Against Contraband Tobacco is a Canadian advocacy group formed by organizations and associations concerned about the growing danger of contraband cigarettes. NCACT members share the goals of working together to educate people and urge government to take quick action to stop this growing threat. More information about the Coalition can be found on our website, www.stopcontrabandtobacco.ca.

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