

LOST EXCISE AND VAT ON TOBACCO COST IRELAND  
**€387 MILLION** IN 2008

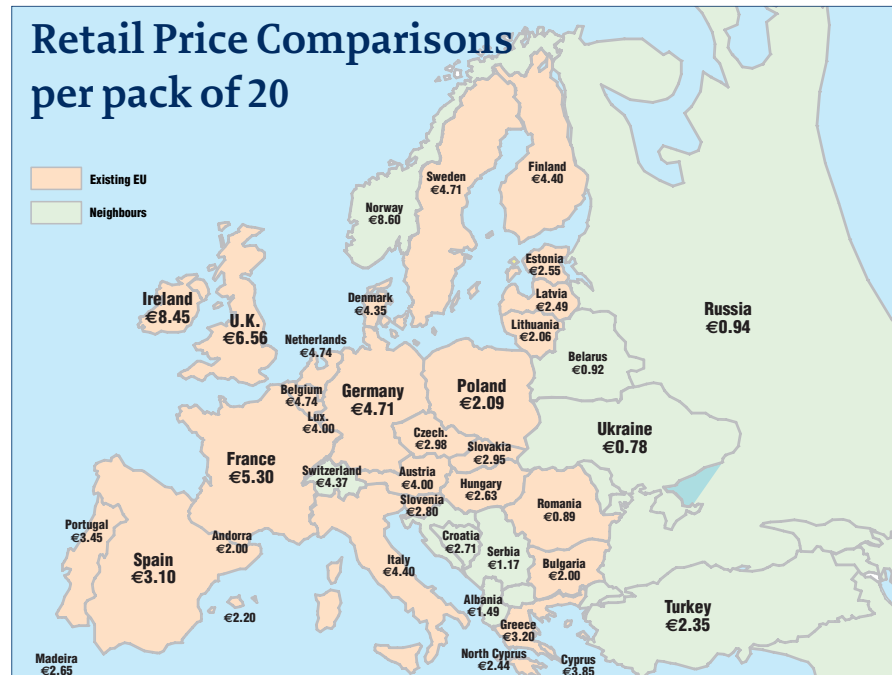


## What is the problem?

- The Government is losing €387m per annum due to the amount of cigarettes consumed in Ireland originating from other countries.
- No Irish excise duties were paid on the 1.3 billion cigarettes that were consumed in Ireland, but not bought in Irish shops.
- Local retailers' livelihoods are being threatened by the abundance of cut price cigarettes available in street markets and through door to door selling.

## And why is this happening?

- Because Ireland has become a smugglers' paradise, criminals can make €1.3 million from one container of cigarettes.
- Irish cigarettes are the most expensive in Europe, due to excessive excise increases.
- The penalties handed out to smugglers are insufficient - custodial sentences are rare and fines are minimal.



## How does this affect you?

- €387 million is an unacceptable loss of Government revenue during recessionary times – the forecasted loss to the Exchequer in 2010 is set to reach €528 million.
- Your local newsagent cannot compete with criminals offering cut price cigarettes! The genuine efforts of small businesses to stay in business, provide employment and basic retail services to the local community, are being undermined.
- The average newsagent's turnover from cigarette sales is between 20% and 30% of their total sales.
- Illegal sales of cigarettes is costing retailers €496 million in lost sales turnover.
- Smugglers do not ask minors for ID! The Department of Health's tobacco control measures on age, price and labeling are easily circumvented.
- International criminals fund further illegal activities from the huge profits they make from selling illegal cigarettes in Ireland.



## What can be done?

- Customs & Excise must be provided with additional resources in line with the magnitude of the problem.
- Penalties for smuggling and illegal selling must be robustly applied, to ensure they act as a true deterrent.
- Future excise increases must take account of unintended consequences.

In Short

Nine million cigarettes seized in Dublin

Customs officers seized almost nine million contraband cigarettes in south county Dublin yesterday.

A Revenue spokesman said containers with 8.74 million

Increase in smuggling predicted after excise hike

INCREASED smuggling worth of the border and heightened shipping in the north has been predicted in the wake of the budgetary increases on cigarettes and wine.

OLD RELIABLES The message to be heard north of the border over greater and the cigarette market on VAT and excise remains will be long-term.



Cigarettes up 50 cents a pack.

Reaction to what has been a low price increase... Chief executive of the sector said "High taxes on tobacco..."

Cigarette smuggling to cost State over €500m

Tom Brady Security Editor

CIGARETTE smuggling is predicted to cost the country more than €500m in lost revenue within a year.

Revenue The total level of all of the profits in the past year has been estimated to be more than 7.5 million...

US police link Real IRA to transatlantic cigarette smuggling

Tom Brady Security Editor

GARDAI and US authorities are investigating links between the Real IRA and a major cigarette smuggling ring in the United States.

The ring, which has a network of contacts with the disaffected republicans and criminal gangs in Europe, is using the port of Miami as a base for its activities.

Federal prosecutors believe it is responsible for smuggling millions of euro worth of cigarettes through the port to be offloaded on the black market in European countries.

Anti-terrorist officers here and in the US are satisfied the Real IRA is one of the major beneficiaries of the smuggling operation. Documents lodged by officials in a court in Dublin

County allege the mastermind of the smuggling is Roman Vidal (57), of Cutler Bay, Florida.

The agents claim Mr Vidal fronted a freight company that imported a massive shipment of smuggled cigarettes from Panama, hid them under wood flooring and insulation in freighters in Miami and then sent them to gangs in Dublin.

The transatlantic investigation got under way in February 2006 when an informant tipped off immigration and customs enforcement officials in Miami.

Agents began tracking Mr Vidal's shipments and analysing his business.

They claim that in the previous December Mr Vidal had shipped 7.3 million cigarettes in over 350,000 packets from Panama to Miami, purchased wood flooring at a local hard-

the shipment with floorboards. When the cargo arrived in Dublin, according to the agents, the contacts here paid only \$2,000 (€1,440) and avoided paying \$2.1m (€1.5m) in taxes.

A similar scheme was organised last year when another shipment with about six million

Panamanian cigarette under building instead shipped into Britain.

The agents allege there is a close links with organisation that operates in Miami and other European cities as well as in the

trick of Florida.

They said evidence that some of those connected to the

Mr Vidal has Dade County's of federal wives and has pleaded with custody but not

arrest.

Anti-terrorist officers are satisfied the Real IRA is one of the major beneficiaries of the smuggling operation

CIGARETTE ARE NOT TOYS Illegal fags disguised as Christmas shipping

By BARBARA MURPHY

CUSTOMS swooped on an illegal shipment of almost nine million cigarettes disguised as Christmas toys yesterday.



SMOKING GUNS: Some of the 9.2 million being sent to the Republic.

Revenue officers from Dublin City and the Dublin Port Authority seized the goods in the last week of the year.

It is believed the goods were intended for the Republic of Ireland.

Officials say the goods were intended for the Republic of Ireland.

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This leaflet has been produced by the Irish Tobacco Manufacturers' Advisory Committee (ITMAC) to raise awareness of the illegal market in tobacco products

If you would like further information or to discuss the dynamics and impacts of this illegal trade and what can be done to stamp it out please contact:

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Irish Tobacco Manufacturers' Advisory Committee