

Smuggled cigs costing average retailer €12k in lost profit **Largest ever haul of smuggled tobacco made in Louth**

The average Irish retailer is losing around €12,000 in profit every year due to tobacco smuggling, new data from newsagents' group CSNA has shown.

The newsagents body has conducted an analysis of tobacco sales – both in terms of profit generation and additional spend on other non-tobacco items – with the report showing huge levels of profit losses due to Non Irish Duty Paid (NIDP) tobacco which is not being sold through conventional retail channels.

The €12k in lost profits is based off a weekly turnover of €30k and a sales mix of 20% for tobacco, with this figure increasing significantly if turnover or sales mix (on tobacco) increases.

With 20% of cigarettes smoked in Ireland not being sold through normal retail outlets, the CSNA argues that these 'lost sales' are costing the retail industry millions every year, however this is arguably the first time in which the per-retailer cost (including the loss of non-tobacco 'impulse' sales) has been calculated.

This comes as the largest ever haul of smuggled tobacco was made yesterday, with more than 120 million smuggled cigarettes seized at Greenore Port in Louth. The value of the haul is thought to be in excess of €40 million to the Irish exchequer, with the smuggled cigarettes believed to be destined for the Irish and UK markets.

To counter the issue of smuggled tobacco and its impact on the Irish retail sector, CSNA has proposed a number of initiatives, including the industry-funded purchase of more mobile x-ray scanners, the creation of a dedicated industry body charged with tackling the issue and greater penalties for those convicted of the importation, distribution or sale of illegal tobacco.

CSNA is also looking for greater enforcement of 'personal use' quotas for individuals bringing in tobacco from abroad.