

## Cross Party Group On Smoking and Health

Thursday 20th January 2022

### Reading Pack

#### The Illegal Tobacco Market

In 2021, following a nationwide enforcement campaign named Operation CeCe, HMRC and Trading Standard teams across Wales seized an estimated 2.84 million cigarettes and 404kg pouches of hand-rolling tobacco from the Welsh illegal market. The combined street value of these items was estimated at over £775,000, money Trading Standards said would have ended up in the hands of criminal operators and gangs<sup>1</sup>.

On a UK scale, HMRC figures show the problem has been steadily declining, with the latest UK illegal tobacco market share projections estimated to sit at 9% for cigarettes, and 34% for hand-rolling tobacco (2020)<sup>2</sup>.

In Wales, a 2014 NEMS survey commissioned by ASH Wales showed illegal tobacco made up 15% of the entire tobacco market, one of the highest regional figures in the UK. The survey conducted in over 22 local authority areas, gathered information from 2,547 participants, and depicted the following<sup>3</sup>:

- 1 in 4 Welsh smokers were classified as 'illicit buyers'.
- Illegal buyers were more likely to come from socially-economically deprived backgrounds.
- Heavier smokers are more likely to purchase illegal tobacco.
- Of the cheap tobacco bought, 22% of buyers purchase a foreign brand not normally found in the UK, while 27% acquire product which they suspect to be counterfeit or fake.
- Almost half (45%) of current smokers had been offered the sale of illegal tobacco, with 14% of smokers "often" being approached by illegal sellers.

In 2022, ASH Wales will draw upon this study to inform a new NEMS survey to uncover the current scale of the illegal tobacco landscape. The survey will look at access to the illegal tobacco market, prevalence, attitudes and young smokers experience of the illegal tobacco trade. ASH Wales will share this survey with partners, and the results will be published later this year.

**An estimated one million illegal cigarettes are smoked in Wales every single day.**

#### What is illegal tobacco?

Illegal tobacco can cover any tobacco product, cigarettes and hand rolling tobacco, that has not been legitimately produced for the UK market. It includes:

- **Smuggled genuine product** – manufactured by major international tobacco manufacturers for legitimate markets, but which fall out of the supply chain into the hands of smugglers. Typically product will not be labelled in compliance with UK law, may not be plain packaged, and will carry foreign language labelling and health warnings.

<sup>1</sup> [Illegal tobacco: HMRC and Trading Standards seize one million cigarettes in Wales - BBC News](#)

<sup>2</sup> Source: HMRC tax gap estimates 2019/20

<sup>3</sup> [illegal tobacco report.indd \(ash.wales\)](#)

- **Cheap whites or illicit whites** – manufactured in poorly regulated and/or corrupt regimes purely for the smuggled market. There are a large variety of brands, none of which correspond with any legitimate retail brand in the UK. They are rarely plain packaged and do not comply with UK labelling requirements.
- **Counterfeit** – unauthorised copies of known brands owned by major tobacco manufacturers and protected by trademark. Packaging can be good quality and convincing. They often carry foreign language labelling and health warnings to give buyers the impression that they are legitimate brands but smuggled or “duty frees”.

## Why is illegal tobacco a problem in Wales?

**The sale of illegal tobacco is a big problem in Wales. It puts cigarettes in the hands of children, harms public health and can contribute to serious organised crime.**

### Young people

Illegal tobacco is cheap and therefore accessible for young people. Research from the North East shows illegal tobacco purchases can be as high as 55% for children who smoke<sup>4</sup>. Furthermore, research has shown that 73% of children have been offered illegal tobacco within certain regions of the UK<sup>5</sup>. For tobacco control organisations, this is particularly troubling given the known links between early smoking habits and life-long addiction<sup>6</sup>. From a public health perspective illegal tobacco is a known gateway for children and youth to start smoking.

It is important to note that all forms of tobacco are harmful, as tobacco is a product which goes on to kill half its users<sup>7</sup>. The illegal tobacco market is just one facet of larger efforts to reduce the harms of tobacco in Wales.

**In Wales, 8% of 15-16 year-olds smoke on a regular basis, a figure that has remained unchanged since 2013.**<sup>8</sup>

### Public health perspective

Tobacco use is a vital Welsh public health concern, and the presence of illegal tobacco has a significant impact on key tobacco control measures. Tobacco smoking is the largest single preventable cause of ill health and death in Wales, with the latest NSW smoking bulletin reporting that 17% of Welsh adults smoke, which equates to approximately 440,000 people in Wales<sup>9</sup>. More than 5,500 deaths each year are attributed to tobacco use, which costs the Welsh NHS an estimated £302 million a year<sup>10</sup>.

To reduce the harms of tobacco, the UK and Welsh Government enact robust measures including;

- Taxation
- Age restrictions
- Point of sale display bans
- Packaging and health warnings

**These preventative measures are key levers to achieving Welsh Government’s ambition to drive smoking prevalence to 5% by 2030; illegal tobacco undermines all of these measures**<sup>11</sup>.

<sup>4</sup> [Illegal tobacco bought by more than half of teenage smokers \(freshne.com\)](https://www.freshne.com/news/illegal-tobacco-bought-by-more-than-half-of-teenage-smokers)

<sup>5</sup> [Illegal tobacco bought by more than half of teenage smokers \(freshne.com\)](https://www.freshne.com/news/illegal-tobacco-bought-by-more-than-half-of-teenage-smokers)

<sup>6</sup> [190913-ASH-Factsheet\\_Youth-Smoking.pdf](https://www.ash.org.uk/190913-ASH-Factsheet_Youth-Smoking.pdf)

<sup>7</sup> [Tobacco \(who.int\)](https://www.who.int/tobacco)

<sup>8</sup> [National Data - School Health Research Network \(shrn.org.uk\)](https://www.shrn.org.uk/national-data-school-health-research-network)

<sup>9</sup> [National Survey for Wales 2018-19: adult smoking and e-cigarette use \(gov.wales\)](https://www.gov.wales/national-survey-for-wales-2018-19-adult-smoking-and-e-cigarette-use)

<sup>10</sup> [NHS 111 Wales - Health A-Z : Smoking \(quitting\) with Help me Quit](https://www.nhs.uk/111/wales-health-a-z/smoking-quitting-with-help-me-quit)

<sup>11</sup> [Ambition to make Wales smoke-free by 2030 - as smoking remains the leading cause of premature deaths | GOV.WALES](https://gov.wales/ambition-to-make-wales-smoke-free-by-2030-as-smoking-remains-the-leading-cause-of-premature-deaths)

## Funding criminals

Illegal tobacco sales have been seen to fund organised crime within the UK's crimscape<sup>12</sup>. The illicit market has been reported to hold links with organised crime, terrorism and has held ties with human-trafficking<sup>13 14 15</sup>. Historically, illegal tobacco has been seen as an area of low importance within the UK and EU crimscape, which has allowed the market to flourish<sup>16</sup>. However, the scope for this market to fund other areas of crime is an important consideration within this topic. UK-wide campaigns to address illegal tobacco have often utilised this approach to encourage the public to report illegal sales, and in turn protect communities<sup>17</sup>.

## What is being done to tackle illegal tobacco in Wales?

Action to tackle illegal tobacco contains two main elements, enforcement and marketing campaign work.

At present Trading Standards and HMRC are running Operation CeCe, a national enforcement campaign to tackle illegal tobacco. A specialist team has been set up to co-ordinate and support activity which has ranged from targeting organised crime groups, to local disruption activity, which includes seizing illicit products at retail premises. The operation has a considerable impact on tackling the illegal tobacco market in Wales<sup>18</sup>.

## Marketing Campaigns

The Welsh Government has launched Noifs NoButts - an 'all-Wales' campaign to address the illegal market head-on. Within this campaign there is a suite of marketing materials, a national publicity programme and Wales's first dedicated reporting website which will act as the centralised system for reporting illegal tobacco sales in Wales. This reporting platform is being managed by the Welsh Government, HMRC, Trading Standards and ASH Wales.

The CPG meeting will unveil the launch of this campaign and new reporting platform.

**[Noifs NoButts reporting website.](#)**

## WHO FCTC and the tobacco industry

The illegal tobacco market is largely overseen by government organisations. In light of this, international law intended to protect governments (and by extension health policies) from the commercial interests of the tobacco industry should be considered when tackling illegal tobacco.

The World Health Organisation Framework Convention on Tobacco Control (FCTC) is the world's first global health treaty. The UK ratified this treaty in 2004. It was developed in response to the globalization of the tobacco epidemic, and is an evidence-based treaty that reaffirms the right of all people to the highest standard of health. Article 5.3 is a key element of the treaty. It is intended to protect public health policy from the influence of the tobacco industry<sup>19</sup>.

<sup>12</sup> [Gang behind 'UK's largest' illegal tobacco factory jailed - BBC News](#)

<sup>13</sup> [It still happens here: Fighting UK Slavery in the 2020s - The Centre for Social Justice](#)

<sup>14</sup> [Tackling illicit tobacco: From leaf to light \(publishing.service.gov.uk\)](#)

<sup>15</sup> [20181016 ecommerce delivery services illicit tobacco trade web.pdf \(rusi.org\)](#)

<sup>16</sup> Frontier Economics, 'The Economic Impacts of Counterfeiting and Piracy, Report Prepared for BASCAP and INTA', 2016, p. 57.

<sup>17</sup> [You might think illegal tobacco isn't a big deal. It's just cheap cigarettes or nothing to do with you. But illegal tobacco is behind many of our communities' problems. - GMHSC](#)

<sup>18</sup> [Illegal tobacco: HMRC and Trading Standards seize one million cigarettes in Wales - BBC News](#)

<sup>19</sup> [Toolkit: Article 5.3 of the WHO Framework Convention on Tobacco Control - Action on Smoking and Health \(ash.org.uk\)](#)

The illegal tobacco trade provides an opportunity for the tobacco industry to get involved in customs and law enforcement responses, which in turn provides opportunities to influence policy more broadly. This is often referred to as 'tobacco industry interference'.

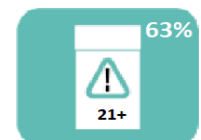
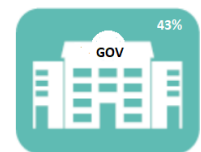
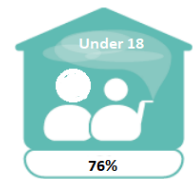
To protect health policies from tobacco industry interference, governments and public organisations incorporate WHO FCTC guidelines within tobacco control policy. Examples of this can be seen in the last English Tobacco Control Plan, and also in current Trading Standards policy for engaging with the tobacco industry<sup>20 21</sup>.

The illegal tobacco market is an important component of WHO FCTC guidelines, as it is seen as facet of tobacco control (article 15), and in turn a matter of public health<sup>22</sup>.

## Public opinion

According to the latest ASH Wales YouGov Survey (2021): <sup>23</sup>

- **76% of Welsh smokers surveyed said they were under 18** when they tried their first cigarette. **Only 8% of smokers tried their first cigarette over the age of 21.**
- **43%, including 19% of current smokers surveyed, think the Government are not doing enough to limit smoking.** Only 9% believe they are doing too much.
- **72% support the idea that all Government health policy should be protected from the influence of the tobacco industry and its representatives.** 3% oppose this.
- **63% support raising the age of sale from 18 to 21,** only 16% oppose this move.
- **70% of people surveyed think people in general disapprove of smoking,** with only 5% thinking people in general approve of smoking.
- The majority (**86% and 76% of smokers**) in favour of requiring businesses to have a **valid licence to sell tobacco**, which can be removed if they are caught more than once selling to underage smokers.



<sup>20</sup> [Healthy Lives Healthy People Tobacco Control Plan \(who.int\)](#)

<sup>21</sup> [Guidance for Trading Standards - Illicit Tobacco Partnership \(illicit-tobacco.co.uk\)](#)

<sup>22</sup> [WHO Framework Convention on Tobacco Control](#)

<sup>23</sup> [yougov-survey-report-2021.pdf.pdf \(ash.wales\)](#)