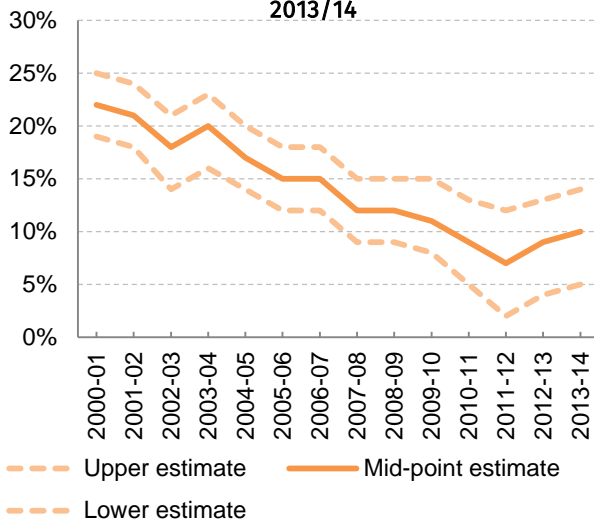


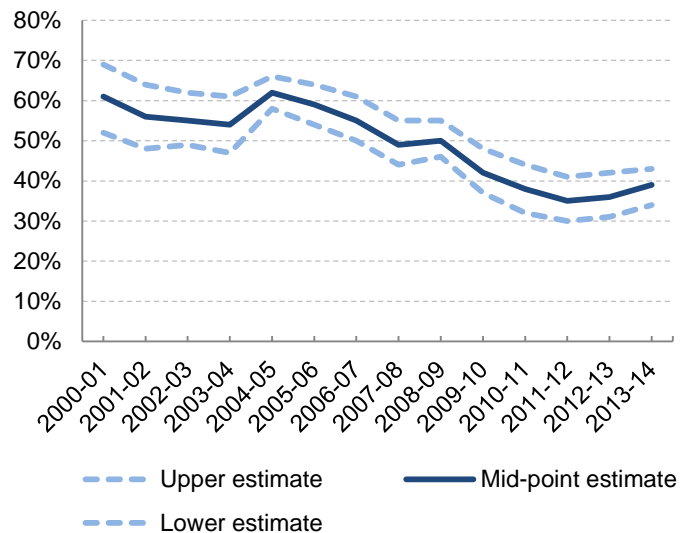
The size of the problem

- The illicit tobacco market in the UK has changed significantly over the last decade
- The illicit market share was an estimated 10% for cigarettes and 39% for hand rolling tobacco in 2013-14 in the UK. No separate estimates are published for Scotland

HMRC mid-point, upper, and lower estimates of UK illicit cigarette market share, 2000/01 - 2013/14



HMRC mid-point, upper, and lower estimates of UK illicit hand-rolled tobacco market share, 2000/01 - 2013/14



Illicit tobacco causes harm

- Illicit tobacco undermines measures to limit youth access to tobacco and to use high prices to reduce smoking rates and health inequality. It also results in substantial revenue losses for governments
- Illicit tobacco has strong links to organised crime, often involving large, international criminal organisations
- Raising the spectre of the illicit trade is largely a lobbying tool used by the industry to deter policy makers from implementing effective tobacco control regulations. Tobacco industry claims that plain, standardised packaging will lead to an increase in illicit trade are not supported by Her Majesty's Revenue and Customs nor by the Trading Standards community.