

MEDIA INFORMATION

For immediate release



Criminals Capitalising on Tobacco Excise Increases *Recent seizures highlight a persistent problem*

Dublin, October 13, 2015 – The dramatic 50c hike in tax on cigarettes in today’s Budget will exacerbate the illegal tobacco trade here, according to JTI Ireland. The announcement today follows a 40c increase in last year’s budget, ensuring Irish consumers continue to pay the highest prices for tobacco in the Eurozone. This latest increase comes amid exchequer losses of over €142million on tobacco excise since 2012 despite claims the excise hikes would increase the Government tax take from tobacco by €81million, leading to a shortfall of over €223million. The Minister for Finance is now predicting today’s increase will bring in an additional €61.4million.

JTI Ireland General Manager Igor Dzaja said: *“We know that steep excise increases such as this stimulate the illegal trade. Yet every year we see the Government being pushed to introduce these policies without any assessment of their impact and negative consequences. These excessive annual tax hikes continue to create fertile ground for the black market, so rather than raising revenues it is playing into the hands of criminal smugglers.”*

Mr Dzaja continued: *“In the last two months alone, Revenue’s efforts led to 15 seizures of smuggled cigarettes and tobacco, totaling almost 14 million cigarettes and 250kg of loose tobacco. These figures should leave nobody in any doubt that the illegal tobacco trade continues to be a serious problem in Ireland, with criminals benefitting from the State’s losses”*

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For further media information, please contact:

Brian Marconi, Corporate Affairs Manager

+353 (0)1 4040228 / +353 (0)86 004 2240

brian.marconi@jti.com

Notes to Editors:

- JTI estimates that around 20% of tobacco consumed in Ireland, including RYO, has no Irish tax paid on it.
- In Budget 2015, the Government increased excise on tobacco by 40c, with 25g pouches of RYO tobacco rising by over 60c.
- New EU-wide rules – the revised European Tobacco Products Directive (TPD2) – will come into effect from 20th May 2016, with full on-shelf implementation by 20th May 2017.

About JTI

JTI Ireland Ltd, a member of the Japan Tobacco Group of Companies, is Ireland's leading tobacco manufacturer. It markets brands such as Benson & Hedges, Silk Cut, Camel and Amber Leaf. JTI Ireland supplies over 4,000 retail outlets nationwide and employs more than 90 people locally. For more information, visit www.jti.com