

FOR IMMEDIATE RELEASE

Coalition Against Illegal Tobacco Raises Concerns Around Alberta Budget

November 1st, 2019 – Ottawa, Ontario – Last week, the Government of Alberta tabled their Budget 2019. Included in the budget was a five dollar increase per carton of cigarettes effective October 25th, 2019. Today, Ron Bell, the National Spokesperson for the National Coalition Against Contraband Tobacco (NCACT) responded with concerns regarding this increase.

“While we commend the Government of Alberta for wanting to take actions to curb smoking rates, history shows that simple increases in the cost of legal cigarettes drives smokers to the illegal market,” stated Bell. “While a province like Manitoba has some of the highest taxation rates in Canada, they have also taken the step to curb illegal cigarettes through their Contraband Tobacco Enforcement Team.”

Provincial governments and the federal government lose over \$2 billion in combined excise tax revenue every year to illegal tobacco. The Royal Canadian Mounted Police (RCMP) estimate that there are over 175 organized crime groups involved in the illicit trade, who use the funding for other illegal operations, such as the distribution of guns and drugs. Tax hikes at either the provincial or federal level have shown to drive smokers to the illegal market, rather than curbing smoking. For example, a 2016 butt study by the Western Convenience Store Association showed that the \$10 tax increase on cartons of cigarettes in Alberta caused an illegal tobacco rate increase of 20 percent. Since 2015, Alberta has missed revenue collection versus projections by more than \$400 million.

“With plain packaging about to be implemented across Canada in November, it is concerning that the Government of Alberta would increase taxes on cigarettes without a contraband tobacco plan. While the government estimates that it will increase revenues, it is more likely the revenues will lag due to money being lost to the illegal market,” concluded Bell.

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The National Coalition Against Contraband Tobacco is a Canadian advocacy group formed by organizations and associations concerned about the growing danger of contraband cigarettes. NCACT members share the goals of working together to educate people and urge government to take quick action to stop this growing threat. More information about the Coalition can be found on our website, www.stopcontrabandtobacco.ca.

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