

FOR IMMEDIATE RELEASE

Government of Canada Fails To Tackle Illicit Trade Again

November 22, 2023 – The National Coalition Against Contraband Tobacco’s (NCACT) Executive Director Rick Barnum responded to the Government of Canada’s Fall Economic Statement, which completely ignored the issue of lost revenue and increased criminal activity as a result of illicit tobacco. Barnum is an over 30-year veteran of the Ontario Provincial Police (OPP), retiring as Deputy Commissioner overseeing organized crime.

“We are disappointed to see that the federal government has again ignored the growing issue of contraband tobacco that is fueling organized crime across the country,” began Barnum. “While the government fails to act, criminal gangs are making millions of dollars every day off illegal tobacco.”

The Royal Canadian Mounted Police (RCMP) estimate there are over 175 organized crime groups are involved in the illicit trade.

Failing to tackle the rampant and growing illicit tobacco industry not only allows criminal activity to flourish, but it denies the provincial and federal governments much-needed tax revenue. For instance, a recent report by EY focusing on the cost of the illicit tobacco trade in Newfoundland, Ontario and British Columbia found that the “tobacco tax loss in British Columbia is conservatively estimated to be at least \$215 million and possibly as high as \$591 million; at least \$990 million in Ontario and possibly as high as \$1.8 billion; and at least \$25 million in Newfoundland and possibly as high as \$81 million. This does not include the losses in other taxes, including sales tax and business and personal income taxes associated with this reduction in legal sales, or federal tax revenue losses.”

This failure to act is compounded by the government’s decision to, without consultation, levy \$66 million against those companies operating in legal tobacco sales, which will add cost for consumers, pushing more toward the illicit trade. This comes after multiple commitments from the federal government to engage with stakeholders before a decision.

“We are again calling on the Government of Canada to support law enforcement across the country to address criminal gangs trafficking contraband tobacco. Without action now, the illicit trade will continue to grow and fund other illegal activities that are hurting communities,” concluded Barnum.

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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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