



FOR IMMEDIATE RELEASE

Government of Canada gives illicit market a win

April 17, 2024 – The National Coalition Against Contraband Tobacco’s (NCACT) Executive Director Rick Barnum responded to the Government of Canada’s 2024 budget, which handed the illicit tobacco industry, which is closely tied with broader illegal criminal activity and organized crime, a major win by raising taxes and pushing more smokers into the illicit market. Barnum is an over 30-year veteran of the Ontario Provincial Police (OPP), retiring as Deputy Commissioner overseeing organized crime.

“The illicit market for tobacco is enormous and growing. By raising taxes on cigarettes, the federal government is only pushing more struggling Canadians into the illegal market,” said Barnum. “It’s bad for health, and good for organized crime.”

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. A recent report by EY focusing on the cost of the illicit tobacco trade in Newfoundland, Ontario and British Columbia found that the estimated tax revenue loss is up to \$2.47 billion in Canada over the last several years alone. Compounding the problem, the profits from the illegal trafficking of tobacco funds other criminal activities, hurting the safety of Canadians.

“In addition to higher taxes pushing more Canadians to the illegal markets, there is no commitment in the federal budget to tackle the growing illicit industry from a policing perspective. It is time for the federal government to take the illicit market seriously, and dedicate funding to police forces to focus on curbing the illicit tobacco industry. 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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