

Cigarette Consumption Surveys

Background and Objectives

For the years 2009, 2010 and 2011, the Revenue Commissioners, in conjunction with the HSE's National Tobacco Control Office (formerly the Office of Tobacco Control), commissioned Ipsos MRBI to conduct research amongst smokers about the source of their cigarettes. The purpose of this research was to estimate the volume of illegal cigarettes being consumed in Ireland.

Key Findings of 2009 and 2010 surveys

- In both 2009 and 2010, 14% of all smokers were classified as having an illegal pack.
- In addition, 6% & 8% respectively, of all smokers were classified as having a legal Non-Irish Duty Paid pack.

These findings were based on the 2006 Census population figures, which were the most up-to-date figures available at the time of the research. By applying the more accurate 2011 Census population figures, these findings have been adjusted as follows:

2009: Illegal packs – 16% - Legal Non-Irish Duty Paid – 6%

2010: Illegal packs – 15% - Legal Non-Irish Duty Paid – 9%

Key Findings of 2011 survey

Legality of Packs

- 15% of all smokers were classified as having an illegal pack in 2011.
- These findings are in line with the 2010 research data (which also found that 15% of all smokers had an illegal pack) and suggest that the penetration of illegal cigarettes is being contained.
- A further 8% of all packs were found to be legal Non-Irish Duty Paid, i.e. legal cross-border purchases.

Contraband and Counterfeit

- Of the 15% classified as illegal packs, 13% were classified as contraband, 1% as counterfeit and 1% were found to be "illicit whites".

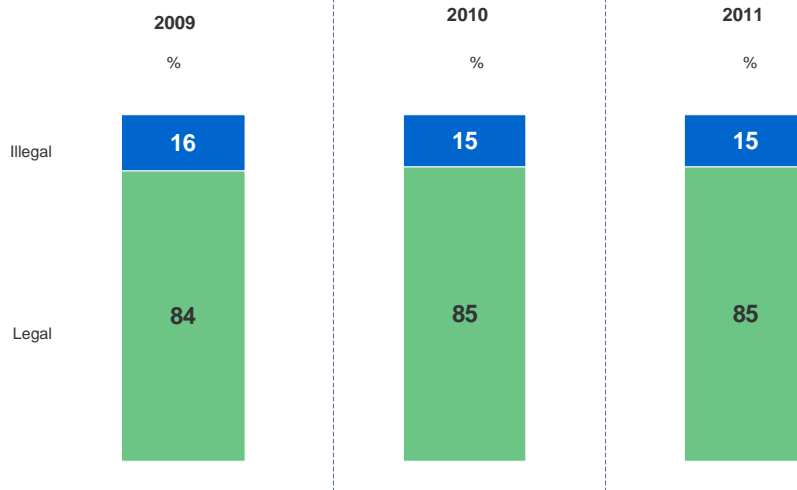
Consumption Estimates*

- The total cigarette consumption in Ireland in 2011 is estimated to be 5.5 billion, based on claimed smoking behaviour
- At an illicit rate of 15% it is estimated that approximately 770m illegal cigarettes were consumed in Ireland in 2011.
- In this context, "illegal cigarettes" means either contraband or counterfeit cigarettes, which were neither tax paid in the State, nor brought into the State by way of legal cross-border purchases.

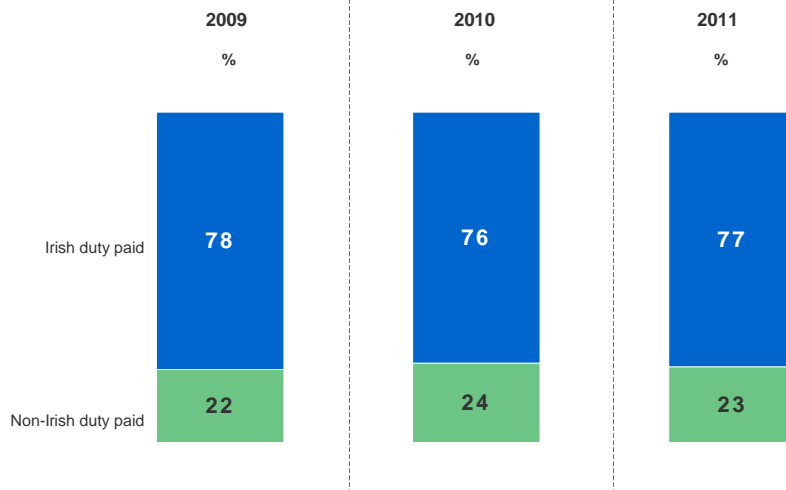
Loss to Revenue

The consumption of 770m illegal cigarettes represents a loss to Revenue of approximately €258m (Excise & VAT).

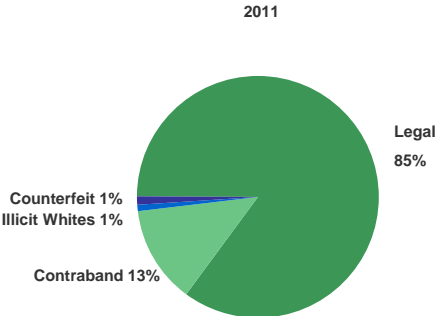
Legality of Packs



Breakdown Of Pack Type



Counterfeit/Contraband/Illicit Whites



**No estimate for illegal cigarette consumption has been included for the 5% of the population not covered by this research or for Irish occasional cigarette smokers. The consumption estimates do however include an estimate for 15-17 year old smokers who were not covered by this research. There are no estimates included for smokers under the age of 15.*