

Cigarettes smuggling: routes and patterns

Smoking

2017 Survey

Population 18+
33% smokers

Mercury Research

2016 Survey

Population 18+
25% smokers
18% daily smokers

18 -35 years old
36% smokers
26% daily smokers

IRES

2011 Survey

Population 18+
24% smokers
15% daily smokers

18 -35 years old
35.5% smokers
22.5% daily smokers

IRES

In Romania, a pack of cigarettes costs 14.50 RON¹ (US\$ 4.39), of which **75.41% is tax** (19.35% is value added and 56.06% is excise taxes)

Industry and smuggling

Producers in Romania

Japan Tobacco International

British American Tobacco

Philip Morris

Production in Romania

4,000 employees in the tobacco industry

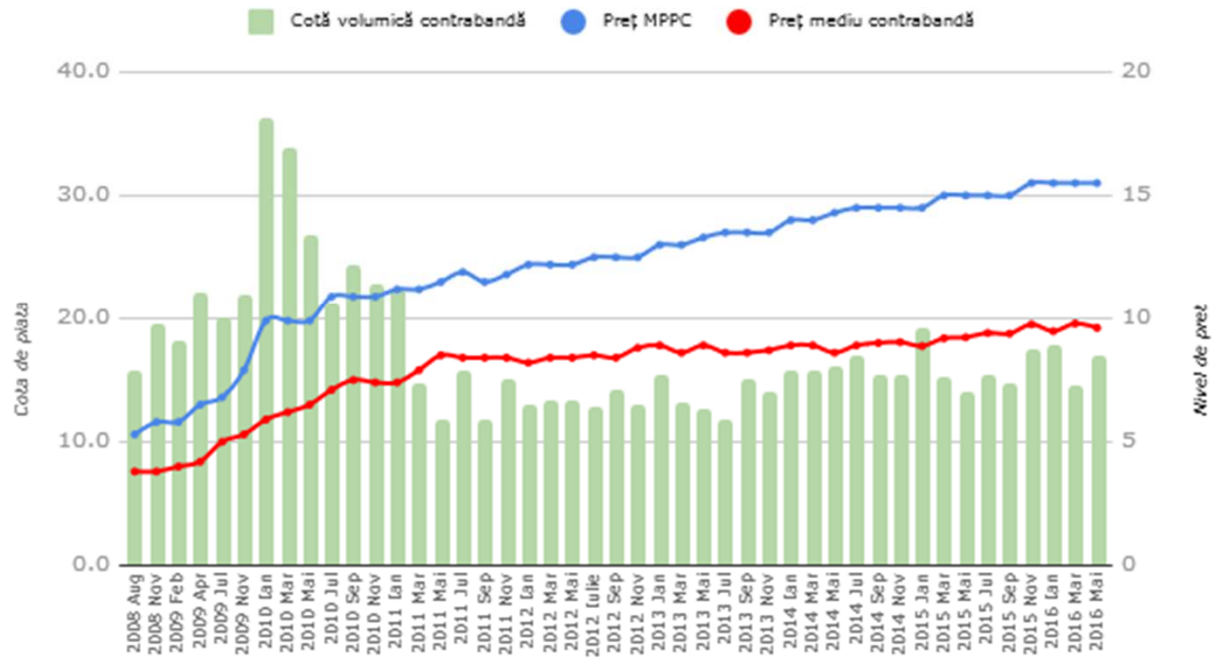
approx. 60% of the production is exported

3 billion Euro yearly as taxes (excise, VAT, taxes and contributions on salaries).

Smuggled cigarettes make 18.3% of the market in Romania (2016)

The evolution of cigarette smuggling

Evoluția comerțului ilicit cu țigarete



Sources





AIM

**examine the use of
corruption with regards to
illicit trade of tobacco
products**

Preliminary research

Court cases

43 court decisions taken into consideration regarding ...

25 cases involving organised crime groups.

Customs corruption

In only 5 files, in the period 2011-2014, National Anticorruption Directorate (DNA) prosecuted 276 customs policemen. In late 2016, Directorate for Investigating Organised Crime and Terrorism (DIICOT) arrested 26 customs policemen at Stamora-Moravita (Serbia border) for facilitating illegal trade. This is the third large file in Stamora-Moravita after, in two previous operations, 69 and 41 policemen were prosecuted. Practically each year, entire customs structures are sacked while newcomers doing the same illegal actions.

Desk review

Main actors

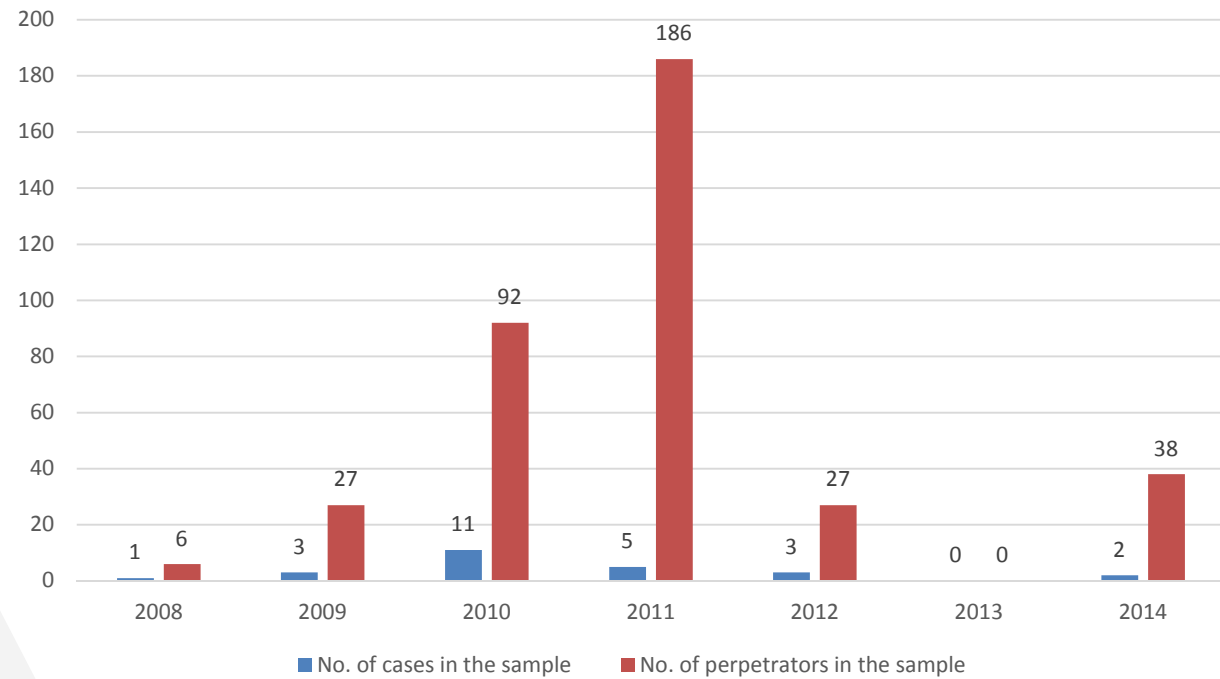
Initiatives

Regulations

Cases in the sample

25 Court cases

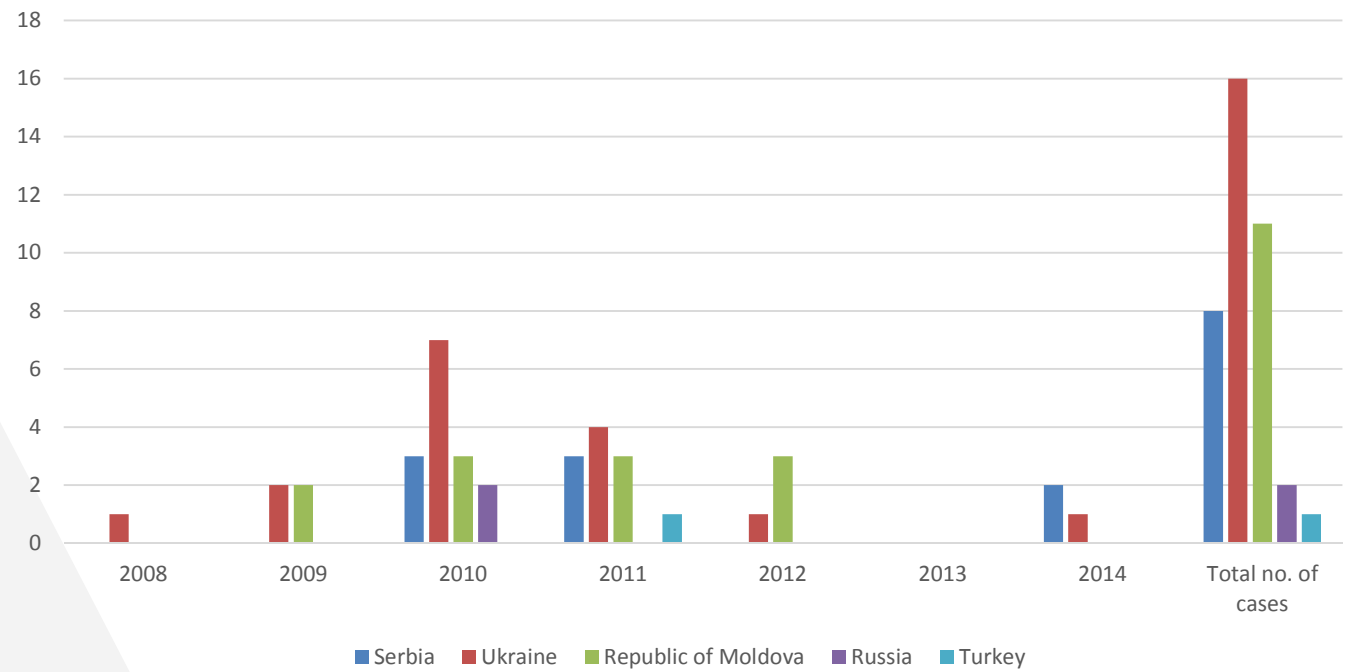
OCG Cigarette smuggling



Cases in the sample

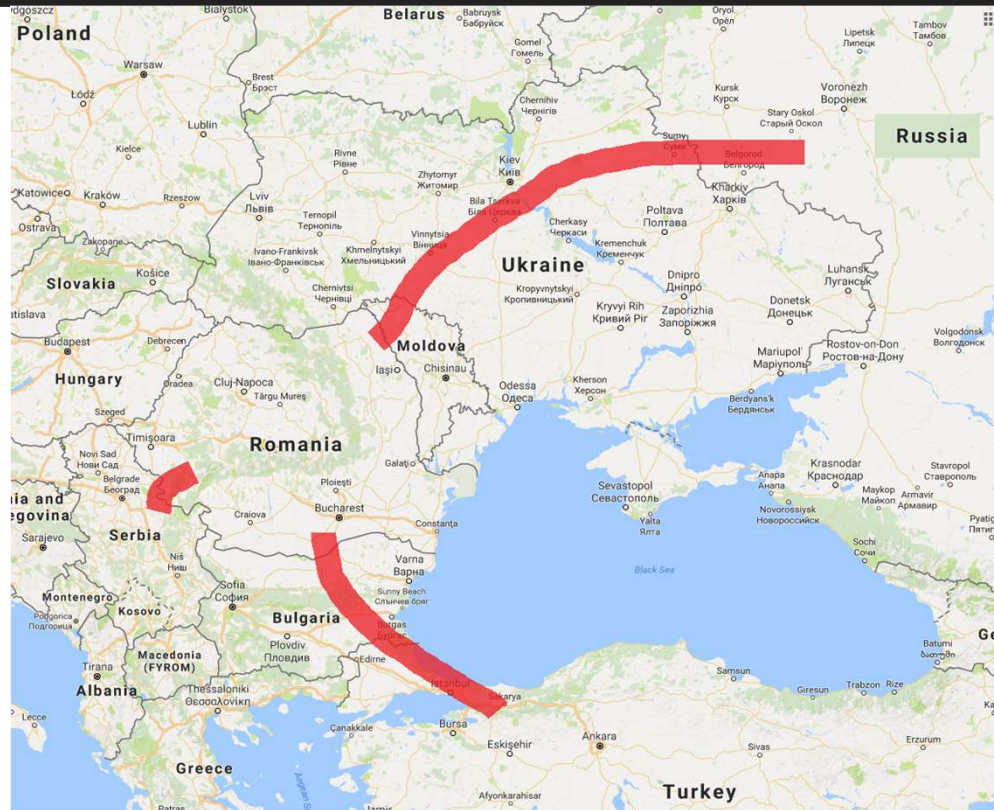
25 Court cases

Source countries



Cases in the sample

25 Court cases



The flow

Carriers

Cars/Trucks

Boats

Bribe to the customs

Deposits

Low level
distributors (small
shops, individuals)

11,300,000 €

Tax evasion (in 20 cases)



Confiscation

20 cars

10 bicycles

2 tractors

1 boat

Cash

mobile phones

Cigarettes

Preliminary conclusions

- ▶ Large profits
- ▶ Illicit whites are the most widespread product
- ▶ Corruption, organised crime and shadow economy –key enablers
- ▶ Poor economic conditions increase demand

Credits

Special thanks to all the people who made and released these awesome resources for free:

- ▶ Presentation template by [SlidesCarnival](#)
- ▶ Photographs by [Startupstockphotos](#)