

News release

British American Tobacco asks: "What would a world with no legal tobacco industry really look like?"

30 May 2013

Kingsley Wheaton, British American Tobacco's Group Head of Corporate and Regulatory Affairs, warned: "The reality is that people will continue to smoke. But instead of buying legal taxed cigarettes, made by legitimate tobacco companies and sold by reputable retailers, they'll turn to black market sources to get what they want.

"The tobacco industry is highly regulated, sells a legal product and we have a legitimate business. We conduct our business in a professional and responsible way, abiding by the laws in all the countries we operate in, often going above and beyond our legal obligations.

"Unfortunately the same can't be said for the sophisticated network of criminals ready and waiting to step-in and take over if the legitimate tobacco industry didn't exist."

The global black market for tobacco accounted for 660 billion (Framework Convention Alliance) cigarette sales in 2012, making it roughly equivalent in volume to the world's third largest multinational tobacco company. It is not a victimless crime. Illegal tobacco is sold by well-organised criminal gangs, some of whom have recognised links to terrorism.

Mr Wheaton continued: "These people don't abide by the law or follow government regulation, they don't pay taxes, they don't care what's in their products and they happily sell to minors.

"If we didn't exist to supply tobacco products legally, traffickers would fill the vacuum and this cannot be the outcome society wants."

British American Tobacco makes a long term commitment to sustainability; strives to bring reduced harm products to market; continues to fight the illegal tobacco trade; generates excise revenue; and provides employment and enhanced livelihoods to hundreds of thousands of employees and suppliers. However, a world with no legitimate tobacco industry would see an end to:

- **Significant investment in research and development of reduced-risk tobacco products:** There would be no incentive for criminals to start doing this. In 2012 British American Tobacco alone invested £171m in our research and development activities – part of our responsibility to working towards reducing the health risks associated with our products.
- **Responsible product marketing:** We are clear that children are not and will never be our audience. Our marketing is aimed at informed adult smokers who are aware of the health risks associated with tobacco use. But the same can't be said for the criminals who are already actively selling tobacco products outside schools, newsagents and playgrounds. Black market cigarettes are also cheaper, making them more accessible to children at pocket money prices.
- **Industry support to tackle tobacco trafficking and associated criminality:** We work closely with governments and law enforcement agencies to tackle illegal tobacco. Europol, Interpol and the FBI have stated that among those who traffic illegal tobacco some also deal in money laundering, drugs, human trafficking and fund terrorist organisations.
- **Product quality and safety:** It's a worrying fact that illegal cigarettes have been found to contain dead insects and animal excrement. We work tirelessly to manage the integrity of our entire supply chain from the seed that's put in the ground through to the packets of our products sold on the shelves.

- **\$200billion per year in tax:** That's the figure generated in tobacco taxes globally each year, more than seven times the profit of the global industry. In the UK, the tobacco industry generated £12.1billion through excise and VAT on tobacco products in 2011/12.
- **Fair treatment and prices for farmers:** It's very hard and dangerous for a farmer from a developing country to negotiate prices with criminals. British American Tobacco offers contracts to the 140,000 farmers we have direct relationships with, helping to provide consistent revenue and fair prices. We also provide advice regarding sustainable agricultural practices and crop rotation.
- **Millions of employees would lose their jobs and have their livelihoods impacted:** British American Tobacco alone employs over 55,000 people worldwide and that's not even including the 250,000 farmers we work with (this figure includes the 140,000 we have direct contracts with) or the hundreds of thousands of workers involved indirectly throughout our supply chain. In the UK, the tobacco industry provides employment and a livelihood for over 85,000 people, which includes tobacco manufacturer employees, suppliers, wholesalers, distributors and retailers (Tobacco Manufacturers' Association).

A vision of what the world would look like without a legal tobacco industry has been brought to life in a series of pictures which can be found at: www.bat.com  on [Flickr](#)  and on [YouTube](#) .

Enquiries

British American Tobacco Press Office

Will Hill

+44 (0) 20 7845 2888 (24 hours) | [@BATPress](#) 