

Convenience Store Distributors Support Enactment of Bill C-10 in Fight Against Contraband Tobacco

TORONTO, ONTARIO--(Marketwired – April 14th, 2015) - The National Convenience Stores Distributors' Association (NACDA) was pleased to recognize the coming into force of Bill C-10 today following an announcement by Minister of Justice Peter MacKay in Moncton, NB on Tuesday. Eliminating the availability of legal tobacco products from our warehouses to retailer's shelves does not address the demand for these products. This demand is being met by black market illegal tobacco traffickers who offer untaxed, unregulated, non-age restricted versions of these products to all consumers, including minors.

It is unfortunate that groups in favour of a ban have been using statistics from the Propel report to suggest that youth smokers have been using flavoured tobacco products in far greater numbers than is actually the case. This is not only completely wrong, but a grossly inappropriate basis upon which to create legislation that will damage legitimate businesses employing thousands of Canadians.

NACDA is urging the government to consult further with businesses in order to address the unintended consequences which may occur as a result of a flavour ban. Enacting this unjustified and unwarranted law would mean unnecessarily throwing away tens of millions of dollars in current, legitimate annual government tax revenues in an era of deficit reduction - while hurting thousands of businesses across Canada. As you know, we are long-standing partners with governments in the collection of taxes on tobacco products; we recognize our responsibility in preventing youth from accessing legal tobacco products, and also our responsibility in collecting much-needed tax revenue from the legal sale of those products.

"Our members suffer from the impacts of contraband tobacco, as it detracts from the legal tobacco market," said Anne Kothawala, President of NACDA. "The full implementation of C-10 today is a positive step forward in this ongoing battle."

Contraband tobacco poses a serious threat to community safety in all regions of Canada, through its ties to organized crime, its link to drugs and illegal weapons trafficking, as well as its accessibility to youth. The distributors are hopeful that C-10 will provide necessary resources to the RCMP and police forces across Canada to work to eradicate this issue.

The announcement of C-10's enforcement today is a victory for the convenience store industry in Canada and its members are hopeful the new law will effectively deter traffickers of illegal tobacco.

"Distributors support any effort taken to combat the trafficking and distribution of contraband in our communities," adds Kothawala. "We would like to thank Minister MacKay for following through on government commitments to fight illegal tobacco, and will continue to support any government that commits to fighting this illegal industry."

About NACDA

NACDA, the National Convenience Stores Distributors Association of Canada, represents the interests of independent and institutional distributor-wholesalers and those of manufacturer-suppliers in Canada who serve the convenience and grocery store market.

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