



[FOR IMMEDIATE RELEASE]

New Tobacco Tax in the Budget 2021 will fuel contraband

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“Increasing the excise duty on tobacco products by \$4 per carton will directly harm law abiding convenience stores. As CICC warned in advance of the budget, this will do nothing to reduce smoking rates and instead provide help to the contraband supply networks as the price differential between legal and illegal tobacco will grow thereby fueling the contraband market. Last December, an [EY study](#) found that illegal cigarettes could represent as much as 24% of Canada’s total tobacco market.

Illegal cigarettes are untaxed, unregulated and uncontrolled; they are sold at a fraction of the price of legitimate product, are easily accessible to Canada’s youth and undercut government’s efforts to reduce tobacco consumption.

Addressing the issue head-on could net governments \$600 million or more per year, without undermining responsible retailers who employ hundreds of thousands of people across Canada. We are very disappointed that a change that directly harms our industry was taken on with no consultation in the middle of a pandemic.”

- Anne Kothawala
President and CEO of the Convenience Industry Council of Canada

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ABOUT: Convenience Industry Council of Canada

The Convenience Industry Council of Canada is a national, not-for-profit council that represents the convenience channel. Our members employ 216,000 Canadians and annually distribute and sell over \$55 billion in goods and services.