

**March 26th, 2024 – Toronto, Ontario** – The following is a statement from Anne Kothawala, President, and CEO of the Convenience Industry Council of Canada, on the release of the 2024 Ontario Budget:

“The Convenience Industry Council of Canada (CICC) commends the Government of Ontario for accepting our recommendations and taking this first step against the growing contraband tobacco market. This illegal activity finances organized crime, threatens community safety while undermining tobacco cessation and control efforts. A recent EY Canada report commissioned by CICC found that contraband accounts for half of the tobacco market in Ontario and tax revenue losses of up to \$1.7 billion.

Contraband costs us all. This multi-billion-dollar industry jeopardizes the safety of communities, minimizes government revenues, and threatens the viability of local convenience stores. To make matters worse, organized crime and criminal gangs are using the proceeds to further the sale of other illicit products – that means more drugs, guns and gangs in Ontario communities.

While today’s measures are an important foundational step for cracking down on the illicit tobacco trade, we need more tangible actions. Contraband is so lucrative - eight times more profitable than the sale of illicit drugs like cocaine and fentanyl – that fines must be high enough to serve as a deterrent rather than a cost of doing business. Until the risk outweighs the reward, organized crime will continue to exploit this illegal market.

Ontario’s 7,600 convenience retailers remain steadfast in our advocacy for enhanced fines and penalties and additional investigative powers for law enforcement. CICC is also calling on the government to crack down on the illegal online platforms that are facilitating the sale of untaxed and illicit nicotine products, specifically tobacco and vaping items, to Ontario’s youth, and we welcome their commitment to take ongoing action to address the rampant illicit market in Ontario.”

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The Convenience Industry Council of Canada (CICC) is the national voice of Canada’s convenience industry and represents 7,600 retailers in Ontario that generate \$16.8 billion in annual sales, employ 65,700 Ontarians and collect \$4.3 billion annually in taxes for the provincial government. Learn more at [www.convenienceindustry.ca](http://www.convenienceindustry.ca).

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