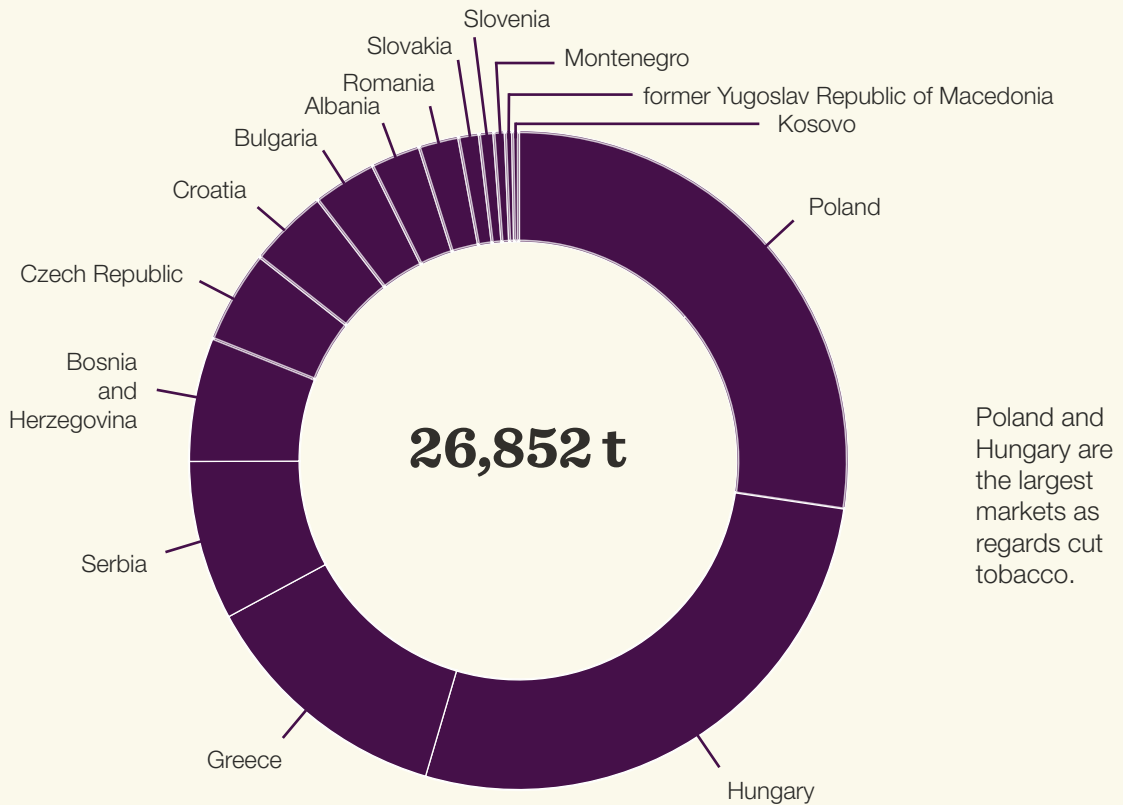
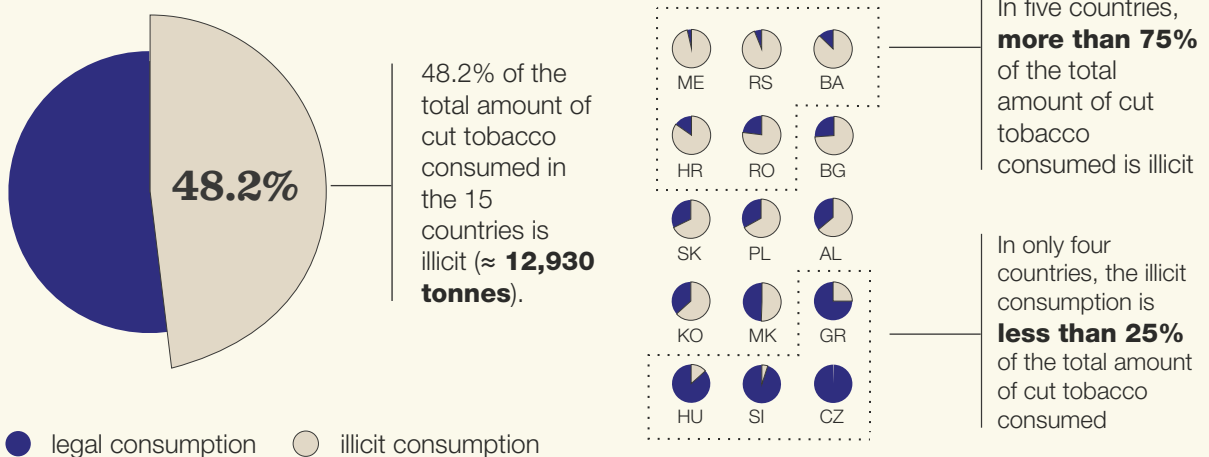


EXECUTIVE SUMMARY

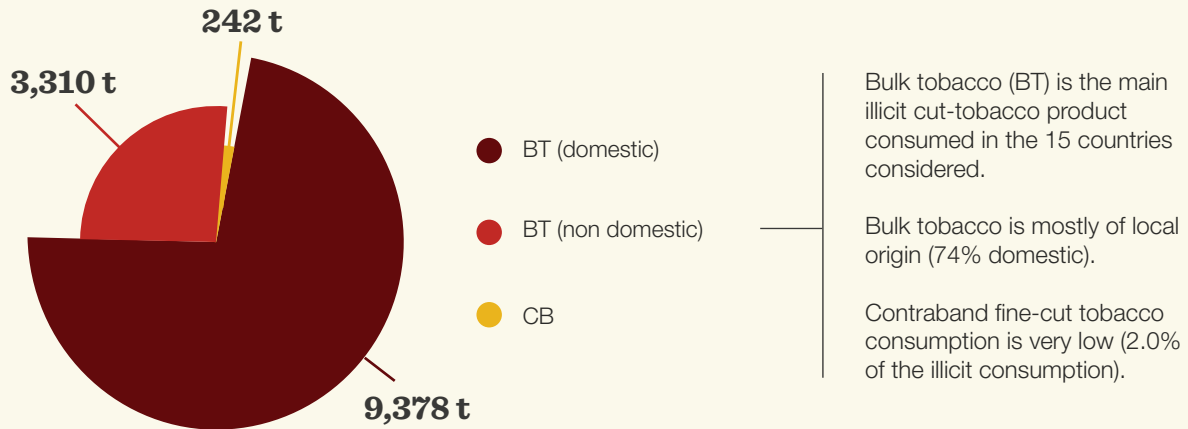
26,852 TONNES IS THE ESTIMATED ANNUAL TOTAL CONSUMPTION OF CUT TOBACCO IN THE 15 COUNTRIES CONSIDERED



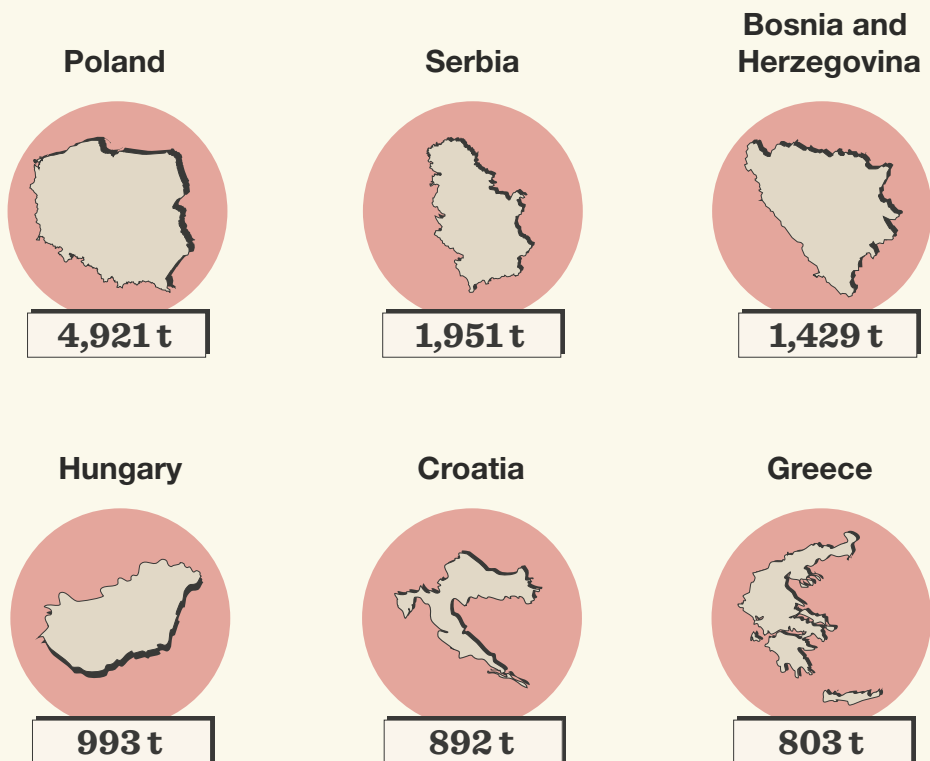
ILLICIT CONSUMPTION OF CUT TOBACCO IS WIDESPREAD



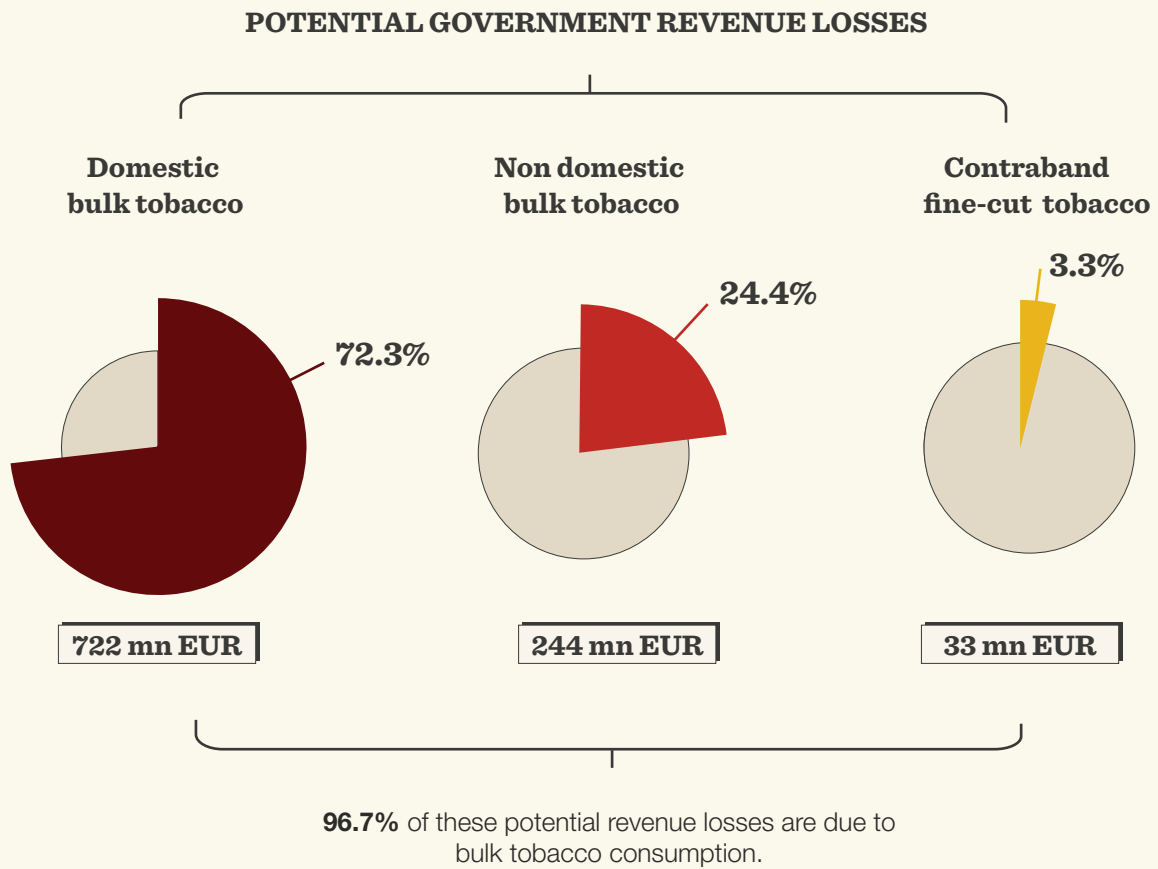
AMONG THE TYPES OF ILLICIT CUT TOBACCO, BULK TOBACCO IS SIGNIFICANTLY MORE CONSUMED THAN CONTRABAND CUT TOBACCO



Highest volumes of bulk tobacco are consumed in



THE ESTIMATED POTENTIAL GOVERNMENT REVENUE LOSSES DUE TO THE CONSUMPTION OF ILLICIT CUT TOBACCO AMOUNT TO ABOUT 1 BN EUR



AVAILABILITY, AFFORDABILITY AND PRICE DIFFERENTIALS MAY INFLUENCE THE CONSUMPTION OF ILLICIT CUT TOBACCO

Three main drivers may positively or negatively impact on the illicit consumption of cut tobacco:



Less affordable legal fine-cut tobacco can encourage the consumption of illicit cut tobacco products.



High levels of tobacco production can increase the availability of bulk tobacco within the country and facilitate its outflows to neighbouring countries.



Large differences among the prices of legal and illicit cut tobacco within and among the countries can influence illicit consumption.