



..... [Customs and Tobacco Report 2009



WORLD CUSTOMS ORGANIZATION



I am pleased to provide the Customs and Tobacco Report of 2009 as Customs' contribution to addressing the global concern of illicit trade in tobacco products in the areas of revenue, health and sound economic development. Together with Members' cooperation, the WCO Secretariat intends to highlight observed trends and patterns, as well as initiatives undertaken by Members to counteract the illicit trade in tobacco products, thus assisting in the anti-smuggling efforts of Customs administrations world-wide.

The WCO's Members regularly provide information on seizures carried out in their respective territories and report to the WCO Secretariat any new trend identified. Judging by the information on seizures provided to the CEN database and the reports made available, counteracting the illicit trade in tobacco products continues to be a priority area of work for Customs services around the world.

The illegal introduction of both small and large consignments of cigarettes and other tobacco products into Members' Customs territories not only has a serious impact on the total revenues collected, and therefore on national budgets, but also represents a significant hindrance to tobacco control efforts undertaken in the framework of binding international agreements.

FOREWORD

A very interesting study states that "if the global illicit trade were eliminated, governments would gain at least 31 billion USD, and from 2030 onwards would save over 160,000 lives a year." (Joossens, Merriman, Ross, Raw: How eliminating the global illicit cigarette trade would increase tax revenue and save lives. Paris: International Union Against Tuberculosis and Lung Disease; 2009). It is therefore of crucial importance to monitor both the licit and the illicit trade in this particular category of products.

The database held within the WCO Customs Enforcement Network (CEN) system is the main source for the analysis conducted in the present Report, focusing on seizures carried out world-wide over the past two years. The WCO CEN system enables Customs officers around the world to exchange information on Customs offences and share intelligence in a timely, reliable and secure manner with direct access available 24 hours a day. The provision of information to the CEN database is not mandatory. Nonetheless the number of Members contributing with information on seizures of tobacco products has continued to rise over the years, also thanks to the efforts of the 11 Regional Intelligence Liaison Offices (RILOs).

The Report is divided into three main sections: a global and regional overview of the illicit trade in cigarettes; a section on the illicit trade in other tobacco products; and a section on items of particular interest.

The Report focuses primarily on the illicit trade in cigarettes, contained in the first section, as this appears to be the main challenge, according to information submitted to the WCO Secretariat by its Members. The second section dealing with other tobacco products provides additional information. The third section briefly covers items of particular interest, such as the illicit manufacture of tobacco products, progress with the

Protocol on illicit trade in tobacco products within the WHO Framework Convention on Tobacco Control (FCTC), information on operations and projects set up to tackle the illicit trade in tobacco products.

Sixty-eight Members reported information to the CEN database on 2008 and 2009 cigarette seizures exceeding 100,000 pieces.

Despite the fact that 138 fewer seizures were reported in 2009 than in the previous year, the quantity of contraband reported was up by 10 %, with nearly 315 million more cigarettes seized. This increase was due to more information being reported from the Asia/Pacific region (China) and from a few countries in the Commonwealth of Independent States (CIS), and also to an increase in contraband detected in Eastern and Central Europe.

I would like to congratulate all Customs services for the results achieved, and to express my sincere appreciation to them for sharing the relevant information.

The bulk of the data is reported by European Members, and in this year's Report the figures are impacted by the large number of records input by the United Kingdom. More than 90 % of the seizures were reported by Members affiliated to the three European RILOs. The contraband concerned accounts for 87 % of the total quantity of cigarettes reported to the CEN database.

Although the contribution from other regions needs to be improved in terms of inputs into the CEN, the figures undoubtedly show that the illicit trade in cigarettes is widespread, and the fact that notable seizures (exceeding 20 million cigarettes) and important seizures (over 10 million cigarettes) were recorded in almost all regions demonstrates the global extent of these criminal activities which affect Governments and their citizens in various

ways. The huge loss of revenue is the most evident effect: in Europe, the illegal introduction of one 40ft container loaded with 10 million cigarettes may result in the evasion of around 1.5 million EUR of Customs duties, excise and VAT.

The largest seizure of the past two years was recorded in Ireland in October 2009, with more than 120 million cigarettes seized at the seaport of Greenore. Three notable seizures recorded in the CIS, East and Southern Africa and West Africa regions - where such large shipments had not been detected over the previous two years - are also remarkable. The seizure carried out in Côte d'Ivoire, where 32.4 million cigarettes were seized at an inland location, is particularly worthy of note.

Half of the volume of cigarettes seized overall in 2009 was detected at seaports, where around 18 % of all seizures were carried out. Half of the worldwide cigarette seizures were made at inland locations, where 35 % of the global volume was seized in 2009.

A 20 % increase in seizures made at rail locations resulted in a three-fold increase in related contraband. These detections show the potential for misusing the rail mode to transport significant shipments of illicitly traded cigarettes.

In terms of the source of illicit trade, China was indicated as the departure country for the highest amount of contraband (21 % of the global quantity seized), followed by the United Arab Emirates (9 %). The consignments originating in China were, as usual, seized in and destined for various countries.

Despite the increase in detections of counterfeit cigarettes in recent years, the diversion of genuine cigarettes remains a significant challenge as stated in all previous WCO annual Reports.

Section 2 deals with all kinds of tobacco products other than cigarettes that Customs

administrations world-wide seize: cigars, hand rolling tobacco or roll your own tobacco, water pipe tobacco, raw tobacco, cut filler and non smoking tobacco.

An overview of the illegal trade in such products shows that these products can also be considered attractive commodities for smugglers.

Section 3 refers to various initiatives undertaken in 2009. Operations utilizing the well-accepted WCO communication system (CENcomm) were successfully carried out in Europe, as well as in the East and Southern Africa region. In the latter region, numerous consignments of cigarettes were detected in the course of Project Vala, initiated by the competent RILO.

Project Crocodile in Asia/Pacific demonstrated once again the importance of enhanced international co-operation when dealing with international organized crime in relation to the illicit trade in tobacco products.

The illegal production of cigarettes is another challenging phenomenon which is being tackled jointly by the WCO Secretariat and its major international and regional partners (ICPO/INTERPOL, OLAF and Europol). The Project is being co-ordinated by RILO Western Europe and will show what contribution Customs can provide in this essentially domestic matter.

The WCO Secretariat continued to support international initiatives, and participated in all sessions of the Intergovernmental Negotiating Body (INB) for the Protocol on illicit trade in tobacco products in the framework of the well-known WHO initiative. The latest INB session ended without a final agreement, although the Parties did reach agreement on some significant provisions such as the establishment of a global tracking and tracing regime for all tobacco products, which can be regarded as the core element of the Protocol.

Bearing in mind that the WHO Framework Convention on Tobacco Control is one of the most quickly, and widely ratified international conventions, I would like to strongly encourage Members to examine the text of the Protocol, and invite Customs administrations to actively participate in, or provide input to, the work of the competent fora. Further, final negotiations may in fact lead to an agreement which will be binding on the governments concerned, and this will have a strong impact on Customs' activities in terms of counteracting the illicit trade in tobacco products.

Synergies and complementarities in the relevant areas of the Protocol are, furthermore, being explored and promoted by the WCO, the Framework Convention Secretariat, and the WHO.

The outcomes of the important Anti-Illicit Trade in Tobacco Products international conference, held in Brussels last year, are also highlighted in this Report.

In conclusion I would like to recall the importance of using all events which bring together the parties which are tackling the phenomenon of tobacco smuggling, not only to obtain information and ideas, but also to develop a human network that will facilitate the sharing of information and collaborative work in future years, and make it easier to address the challenges facing governments and industry today. I believe that the global Customs community should join and lead the global efforts in controlling the trade in tobacco.



Kunio Mikuriya
Secretary General
World Customs Organization

AIM AND OBJECTIVES

Since 2002 the WCO Secretariat has published an Annual Report analyzing all seizures of tobacco products reported by WCO Members.

The Report is intended to highlight current and expected trends, as well as initiatives undertaken by Members to counteract the illicit trade of tobacco products, and may include contributions by third parties.

The aim of the project is :
to produce a detailed situation report and analysis reviewing illicit activities related to tobacco products and counteracting measures on a worldwide basis, in order to support future-oriented risk analysis and thus to assist in the anti-smuggling efforts of Customs administrations worldwide.



» A cigarette seizure in South Africa
(Photos courtesy of the South African Revenue Service)

APPROACH

Structure of the report and source of information

The Report is divided into three main sections: a global and regional overview of the illicit trade in cigarettes, a section on the illicit trade in other tobacco products, and a section on items of particular interest.

The Report focuses primarily on the illicit trade in cigarettes as this appears to be the main challenge, according to the information submitted to the WCO Secretariat by its Members. A section dealing with other tobacco products is provided in addition.

The last section briefly covers items of particular interest, such as the illicit manufacturing of tobacco products including the illicit trade in counterfeit cigarettes, progress with the **Protocol on illicit trade in tobacco products** within the WHO Framework Convention on Tobacco Control (FCTC), information on operations and projects tackling the illicit trade in tobacco products, and information on other initiatives undertaken by various entities, as a contribution for Customs administrations in the fight against the illicit trade in tobacco products at various levels.

The database within the WCO Customs Enforcement Network (CEN) system is the main source for this analysis on seizures carried out over the last two years.

The WCO CEN system enables Customs officers around the world to exchange information on Customs offences and share intelligence in a timely, reliable and secure manner with direct access available 24 hours a day. It has been operational since July 2000 and links 2,000 Customs officers representing more than 155 countries through 4 different tools.

One of these tools is the database of seizures and offences, comprised of non-nominal data required for the analysis of illicit trafficking in the various areas of Customs competence.

With a view to the preparation of the present Report, Members were also requested to pro-

vide brief reports or situation sheets, which proved to be extremely useful for a more comprehensive regional overview, particularly where no data was available in the CEN.

Seventy-six Members reported information on seizures of cigarettes and other tobacco products to the CEN database. In addition, 12 Members provided a brief aggregated report instead, either directly or via the competent RILO, while another 2 Members informed the WCO Secretariat that no seizures of tobacco products had been carried out during the period under review.

A table showing the number of seizures and related quantities, for each country entering information into the CEN database, is appended. The table refers only to seizures of more than 100,000 cigarettes.

Caveat

Only seizures carried out by Customs, joint Customs and Police Units or by other law enforcement agencies having Customs powers are included in the analysis, where the relevant information was submitted to the CEN database or included in reports made available by the Members.

A brief paragraph providing an overview of seizures carried out by other law enforcement agencies and reported by WCO Members to the CEN database is included in chapter 9.

The provision of information to the CEN database is not mandatory.

For the submission of information to the CEN database, different reporting limits are set by different RILO regions. In order to allow consistent comparison amongst the different regions, the minimum common limit for all RILO regions has been taken into consideration. In the global and regional analyses only seizures of 100,000 cigarettes or more have therefore been considered. Seizures amounting to a total which exceeds the specified limit but constitutes a

» In 2009, the Jin Ling brand, which belongs to the category of so-called "cheap whites" appeared for the first time in the Czech Republic, Finland and Sweden (one seizure each, for a total of 1.2 million cigarettes).

(Photos courtesy of the Russian Federation Customs Service)



summary of seizures made during a given period of time have not been included.

An additional chapter provides a brief overview of seizures below that threshold. Seizures derived from the dismantling of illicit manufacturing are reviewed within the relevant paragraph.

In general, the regions being compared correspond to the geographical area which falls under the competence of a given RILO. Israel has been included in the Middle East region even though the country is affiliated to the Western Europe region.

In this Report the USA, Canada and Mexico form the North America region; a RILO has not yet been established there.

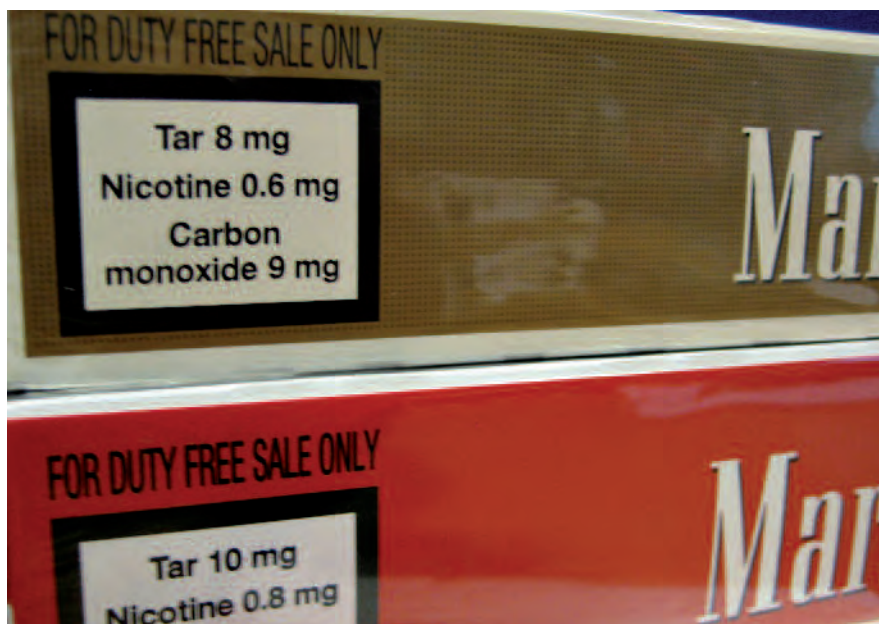
The CEN database is constantly being updated. The figures in the present Report may therefore be different from those taken into account in previous reports, and are subject to checking and constant review.

Regarding the data provided by the United Kingdom in particular, the reader should note the following two points: (i) all figures for calendar year 2009 are subject to ongoing data assurance activity and have yet to be published in the national Annual Report, which is likely to be available in December 2010. Therefore, these figures are not yet in the public domain and remain strictly provisional until published; (ii) the UK figures published by HMRC are provided on a fiscal year basis (6 April to 5 April), and therefore the calendar year figures provided to the WCO will not reconcile with the HMRC figures when these are eventually published. The same applies to the 2008 figures, as these are also subject to ongoing assurance and may be subject to change.

The issues regarding the publication of figures which are referred to in (i) above also apply to the data provided by most WCO Members.

Incomplete information

The production of any analytical report depends on the quality and quantity of the data made available. The information provided to the CEN database enables very



» A cigarette seizure in Norway
(Photos courtesy of Norwegian Customs)

good national or regional analyses to be carried out, but unfortunately does not permit the production of in-depth threat assessments at a global level. This is due to the remarkable differences in the quality and quantity of data made available by the individual Members over the years. Nonetheless the material continues to be sufficient to identify trends and highlight particular issues, providing support for policy and decision makers, and for field officers.

The WCO Secretariat and the RILOs continue to invest effort into improving the quality and quantity of the seizure information reported to the CEN database. Despite these efforts, some Members still have not reported, partially or totally, their records concerning seizures of cigarettes and other tobacco products carried out during the period under review. Moreover, in many cases the information provided to the CEN database was not very detailed, and in some cases it was contradictory. Whenever possible the analyst has performed a thorough cross-check of the information provided, or contacted the source of the information for details or clarifications in order to integrate or amend the data. Due to time constraints related to the production of the present Report, dialogue with the source of the information was not possible for all questionable cases. Therefore the analyst has not taken into consideration, for the present Report, some records from the CEN database, where the information provided was completely unusable for the reason stated above.

Despite the fact that the submission of information to the WCO CEN database is not

Reporting limits (Tobacco commodity) by region – 1 piece = 1 cigarette

Asia/Pacific	No limit
Caribbean	No limit
Central Africa	No limit
Commonwealth of Independent States (CIS)	400 pieces
Eastern and Central Europe	50,000 pieces
Eastern and Southern Africa	200 pieces
Middle East	No limit
North Africa	No limit
South America	No limit
Western Africa	No limit
Western Europe	Cigarettes: 100,000 pieces Smoking tobacco : no limit
North America	No limit

mandatory, most WCO Members, assisted by the competent RILOs or by the WCO Secretariat, enthusiastically share non-nominal information on Customs seizures and offences with a view to combating any illicit trafficking more effectively.

The situation is expected to improve in general when the nCEN application is implemented, making it easy for Members to transfer their national data to the CEN global database.

Forms of Electronic Data Interchange (EDI) are currently in place with some Member administrations in order to facilitate the transmission of information to the CEN database when huge numbers of seizures are

involved. For some Members this procedure has been initiated recently, and therefore data may not be available for this year's Report.

Notable seizures

This paragraph highlights exceptionally large seizures (exceeding 20 million cigarettes) which may distort the analysis.

Both the number of such seizures and the quantities involved almost doubled. This is remarkable bearing in mind that in 2008 one individual seizure accounted for more than 100 million cigarettes.

Notable seizures took place in 5 regions in 2009, with seaports and inland locations

equally involved. This confirms the effectiveness of Customs powers not being limited to border controls alone, and probably also the utilization of a variety of control methodologies and instruments, as well as enhanced international co-operation.

Finally, it is interesting to note that in 2009 there were some exceptionally large seizures of consignments of genuine cigarettes, whereas in the years 2007 and 2008 all the very large shipments seized involved only counterfeit cigarettes.

Despite the increase in detections of counterfeit cigarettes in recent years, the diversion of genuine cigarettes remains a significant challenge as indicated in all previous WCO Annual Reports.



» A cigarette seizure in Portugal
(Photos courtesy of Portuguese Customs)

Notable seizures / 2008 : 7 seizures – 2009 : 13 seizures

Date	Quantity	Region	Country	Location	Location type	Route	Brand	Counterfeit
15/01/2008	20,000,000	W. Europe	Netherlands	Rotterdam	Seaport	AE-NL	Memphis	Yes
10/04/2008	101,587,600	W. Europe	Belgium	Liège	Inland	GR-DE-BE-GB	Aspengold, Cooper, Gold Classic, Jin Ling, Karelia, LM, MG, Raquel, Sovereign, Regal, superkings, Marlboro	Yes
22/05/2008	25,880,000	W. Europe	Ireland	Dublin	Seaport	ID-FR-IE	Dorchester, Dunhill, Excellence, Lamber&Butler, Palace, Superkings and others	Yes
23/09/2008	38,220,000	Asia/Pacific	Singapore	Pasir Panjang Scanning Station	Port	PH-SG-GR	Palace	Yes
23/11/2008	28,440,000	Middle East	Israel	Ashdod	Seaport	CN-IL	Marlboro	Yes
18/12/2008	21,356,800	W. Europe	UK	Southampton	Seaport	UN-GB	Regal	Unknown
19/12/2008	23,419,600	W. Europe	UK	Cardiff	Seaport	UN-GB	Raquel	Unknown
Total 2008	258,904,000	7 seizures						
16/01/2009	43,300,000	Asia/Pacific	Malaysia	West Port	Seaport	UN-MY	Business Royal	Unknown
27/01/2009	25,236,610	W. Europe	Netherlands	Friesland	Inland	UN-DE-NL	Lambert&Butler, Marlboro	Unknown
12/03/2009	32,400,000	West Africa	Côte d'Ivoire	Yopougon	Inland	TG-GH-CI	Supermatch	Unknown
15/04/2009	53,834,600	ECE	Bulgaria	Haskovo	Inland	UN-BG	Shipka, Nevada, Boro, River's, Bacard, Optima, Shamdan, Victory, Cedar's, Primo	Unknown
25/04/2009	25,980,000	Middle East	Lebanon	Beirut	Seaport	AE-MT-LB	Gauloises	No
20/05/2009	26,150,360	W. Europe	Malta	Marsaxlokk	Seaport	AE-MT-LB	Davidoff, Brilliant, Gitanes, Rothmans	No
20/05/2009	25,757,600	W. Europe	Malta	Marsaxlokk	Seaport	AE-MT-LB	Davidoff, Dunhill, Gauloises, Gitanes, Rothmans, Super Grands, Three Stars, Winchester	No
04/06/2009	20,172,000	W. Europe	Germany	Hamburg	Inland	CN-DE	Marlboro	Yes
15/07/2009	37,671,200	W. Europe	Netherlands	Breda	Inland	UN-NL-GB	Palace, Marlboro, Capital, Jin Ling, Sde plus deaign, Raquel, Bon, GB, Gold Classic, Pontobcke	Unknown
15/07/2009	21,423,800	W. Europe	Belgium	Alken	Inland	UN-BE	Regal, Palace, Sde plus deaign, GB, Raquel, Camelford, Silk Cut, Q, Lambert&Butler	Unknown
20/08/2009	25,000,600	W. Europe	Netherlands	Sint Philipsland	Inland	UN-NL	Capital, Benson&Hedges, Oui, Raquel, Gold Classic, Marble, Regal, Marlboro	No
09/10/2009	25,597,000	Asia/Pacific	China	Shenzhen	Seaport	CN-HK	Marlboro	Yes
27/10/2009	120,304,000	W. Europe	Ireland	Greenore	Seaport	PH-IE	Palace, Chelsea, Superkings, Regal, Lambert&Butler	Unknown
Total 2009	482,827,770	13 seizures						

GLOBAL OVERVIEW OF ILLICIT TRADE IN CIGARETTES

Number of seizures and quantities seized

Sixty-eight Members reported information to the CEN database on 2008 and 2009 cigarette seizures exceeding 100,000 pieces. The graphs show, by region, the number of cases reported and the corresponding quantities.

Despite the fact that 138 fewer seizures were reported in 2009 than in the previous year, the amount of contraband showed an increase of 10 %, with nearly 315 million more cigarettes seized.

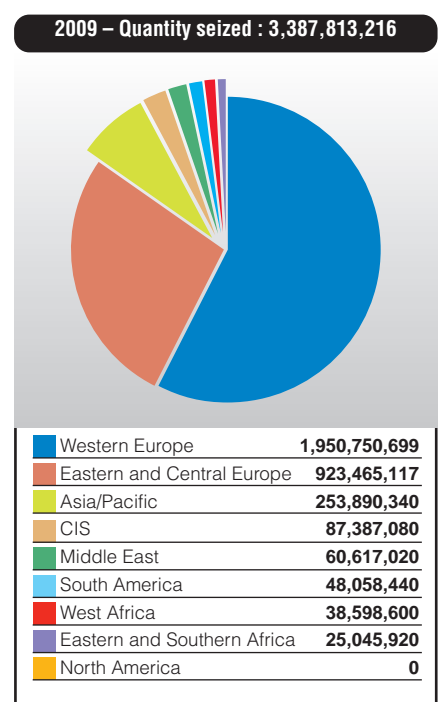
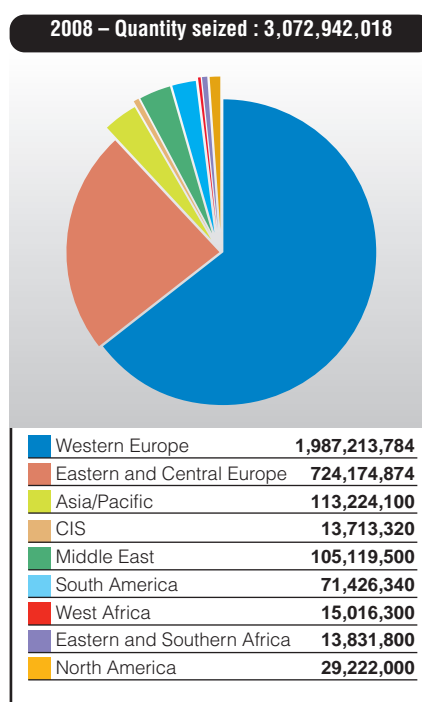
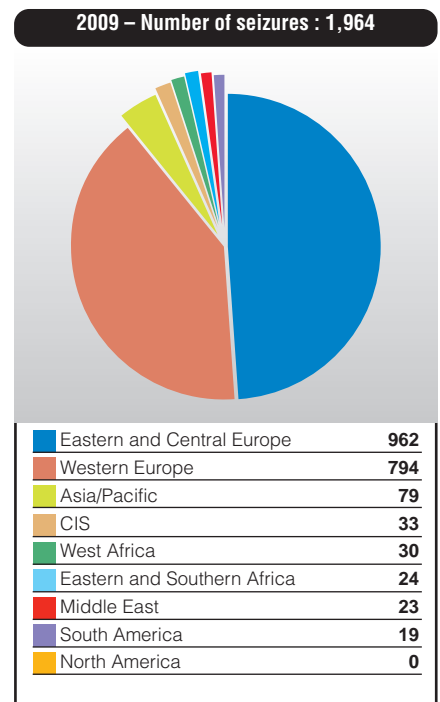
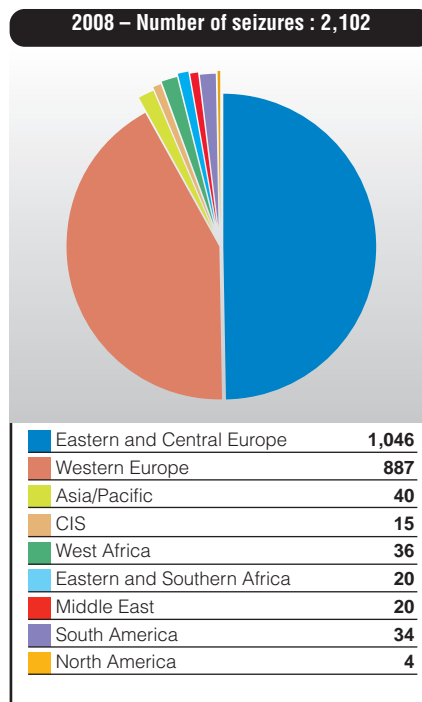
This increase was due to more information being reported from the Asia/Pacific region (China) and from a few countries in the Commonwealth of Independent States (CIS), and also to an increase in contraband detected in East and Central Europe (particularly Bulgaria, Lithuania and Turkey).

Unfortunately not all seizures over the threshold of 100,000 pieces recorded in the territories of WCO Members were reported to the CEN database. It is therefore impossible to assess the degree of variation of the phenomenon of illicit trade over the years.

The bulk of the data is reported by European Members, and in this year's report the figures are affected by the large number of records input by the United Kingdom.

More than 90 % of the seizures were reported by Members affiliated to the three European RILOs. The contraband concerned accounts for 87 % of the total quantity of cigarettes reported to the CEN database.

Although the contribution from other regions needs to be improved in terms of inputs into the CEN, the figures undoubtedly show that the illicit trade in cigarettes is widespread, and the fact that notable seizures (exceeding 20 million cigarettes) and important seizures (over 10 million cigarettes) were recorded in almost all regions demonstrates the global extent of these



criminal activities which affect Governments and their citizens in various ways. The huge loss of revenue is the most evident effect : in Europe, the illegal introduction of one 40ft container loaded with 10 million cigarettes may result in the evasion of around 1.5 million EUR of Customs duties, excise and VAT.

Seizures of consignments exceeding 10 million cigarettes, together with the average quantities seized by region, are shown in the tables.

With 21 more seizures detected globally in 2009 than in the previous year, the quantity of contraband rose from around 600 million cigarettes to almost 1 billion.

The largest seizure of the past two years was recorded in Ireland in October 2009. A general cargo vessel with a declared consignment of 1,489 Jumbo bags of copra animal feed from the Philippines was checked within a multi-agency operation, code-named Samjhna, headed up by Irish Customs. Approximately 8 master cases (80,000 cigarettes) of contraband were identified in each Jumbo bag, covered over with copra feed. The vessel had been chartered for one single voyage from the Philippines to Greenore Port, Ireland. Palace, Chelsea, Superkings, Regal, Lambert&Butler branded cigarettes were seized. It is not known whether the cigarettes were genuine or counterfeit.

Three important seizures recorded in the CIS, East and Southern Africa and West Africa regions - where such large shipments had not been detected over the previous two years - are also remarkable.

The seizure carried out in Cote d'Ivoire, where 32.4 million Supermatch cigarettes were seized in an inland location, is particularly worth mentioning. The contraband originated in Togo.



» A cigarette seizure in Italy
(Photo courtesy of Guardia di Finanza)

Seizures of consignments exceeding 10 million pieces

Region	Number of seizures		Quantity (pieces)	
	2008	2009	2008	2009
Asia/Pacific	3	4	65,450,400	88,897,000
CIS	0	1	0	11,849,800
Eastern and Central Europe	6	14	70,641,057	214,344,900
Eastern and Southern Africa	0	1	0	11,160,000
Middle East	1	1	28,440,000	25,980,000
North America	2	0	20,590,000	0
South America	2	1	20,090,000	18,440,000
West Africa	0	1	0	32,400,000
Western Europe	22	34	394,229,440	579,814,068
Total	36	57	599,440,897	982,885,768

Average of quantities seized (pieces)

Region	2008	2009
Asia/Pacific	2,830,603	3,213,802
CIS (Commonwealth of Independent States)	914,221	2,648,093
Eastern and Central Europe	692,328	959,943
Eastern and Southern Africa	691,590	1,043,580
Middle East	5,255,975	2,635,523
North America	7,305,500	0
South America	2,100,775	2,529,392
West Africa	417,119	1,286,620
Western Europe	2,240,376	2,456,865
Average of the total	1,461,913	1,724,956

Place and location type of interceptions

Cigarette seizures were recorded in nearly 1,300 different locations in the past two years. The graphs show the top ten locations by number of cases and by quantity seized.

With reference to the number of seizures, nearly one quarter of all seizures world-wide in 2009 were made in the top ten locations. Not surprisingly, all ten are located in Europe where most of the seizures were reported from. These top ten locations are in fact confined to just four countries: Poland, United Kingdom, Germany and Italy.

The Polish city of Dorohusk features in 2009, as it did in the previous year. Interestingly, most of the seizures carried out at this location were recorded in the rail mode (110, for 18.3 million cigarettes). The same applies to Warsaw (26 seizures, for 5.2 million cigarettes).

In London - the fifth location in terms of number of seizures - most of the detections (19, for 6 million cigarettes) were carried out at airports.

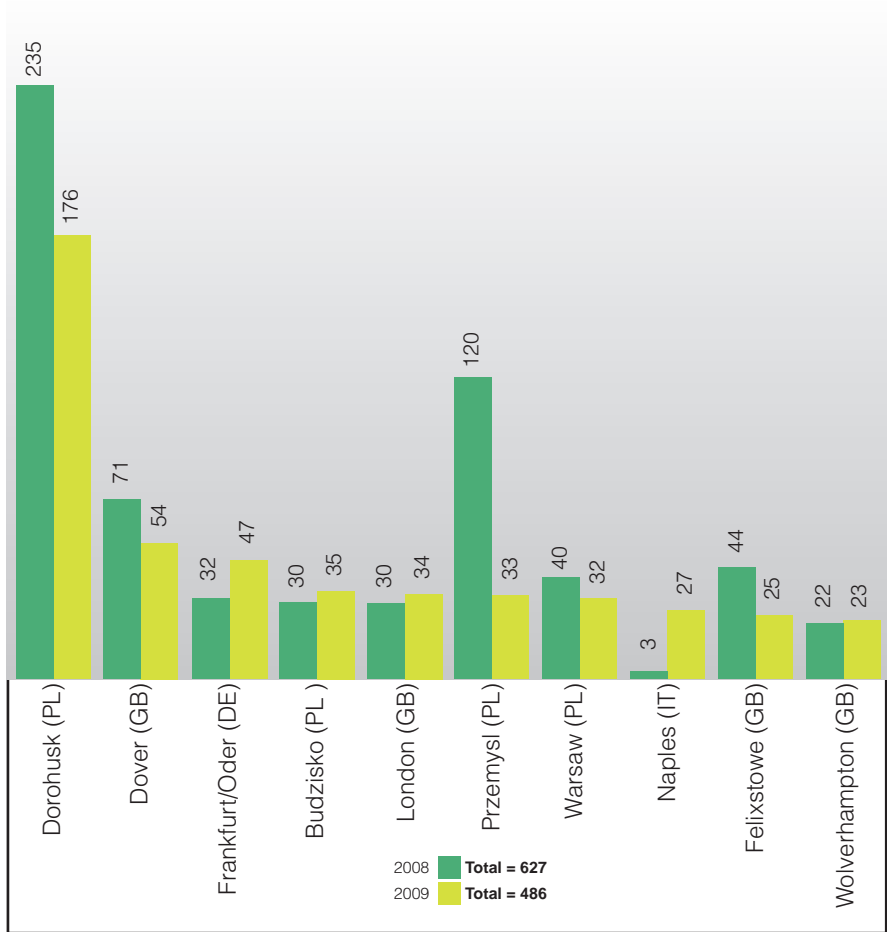
These detections show the potential of the rail and air modes for significant shipments of illicitly trade cigarettes.

The number of seizures recorded in Przemysl, which was the second top location in 2008, decreased dramatically, while Naples and the surrounding area showed a huge increase in detections, corresponding to nearly 13 million cigarettes seized in total.

The top ten locations by quantity accounted for 27 % of the contraband seized globally in 2009. However only 186 seizures were recorded in these locations, representing less than 10 % of all seizures reported. In this case not all of the locations are in Europe, as the list includes Shenzhen (CN) and Sydney (AU).

The seaports of Felixstowe (GB) and Dover (GB), and the village of Budzisko on the Polish/Lithuanian border, are in the top ten

Leading locations by number of seizures – 2009



Global seizures by location type

Location type	Number of seizures		Quantity (pieces)	
	2008	2009	2008	2009
Inland	1,024	999	1,086,404,253	1,056,305,049
Land boundary	485	381	365,680,926	409,817,743
Seaport	381	350	1,564,133,391	1,798,588,747
Rail	114	176	23,649,528	76,366,032
Airport	26	31	9,293,280	10,330,310
Mail Center	62	18	10,142,660	2,791,135
Border of free trade zone	2	4	10,393,000	13,320,000
River	8	3	3,244,980	850,000
High Seas	0	2	0	19,444,200
Total	2,102	1,964	3,072,942,018	3,387,813,216

locations for both number of seizures made and quantity of contraband detected.

Not surprisingly, with the exception of the

forementioned Polish village all the leading locations in terms of quantity are seaports, where one quarter of global contraband was seized.

The proportions of seizures and corresponding contraband in terms of types of location has not changed substantially over the past two years. Half of the contraband was detected at seaports, where around 18 % of global seizures were carried out. Half of the seizures were made at inland locations, where 35 % of the contraband was seized in 2009 as compared with 31 % in the previous year.

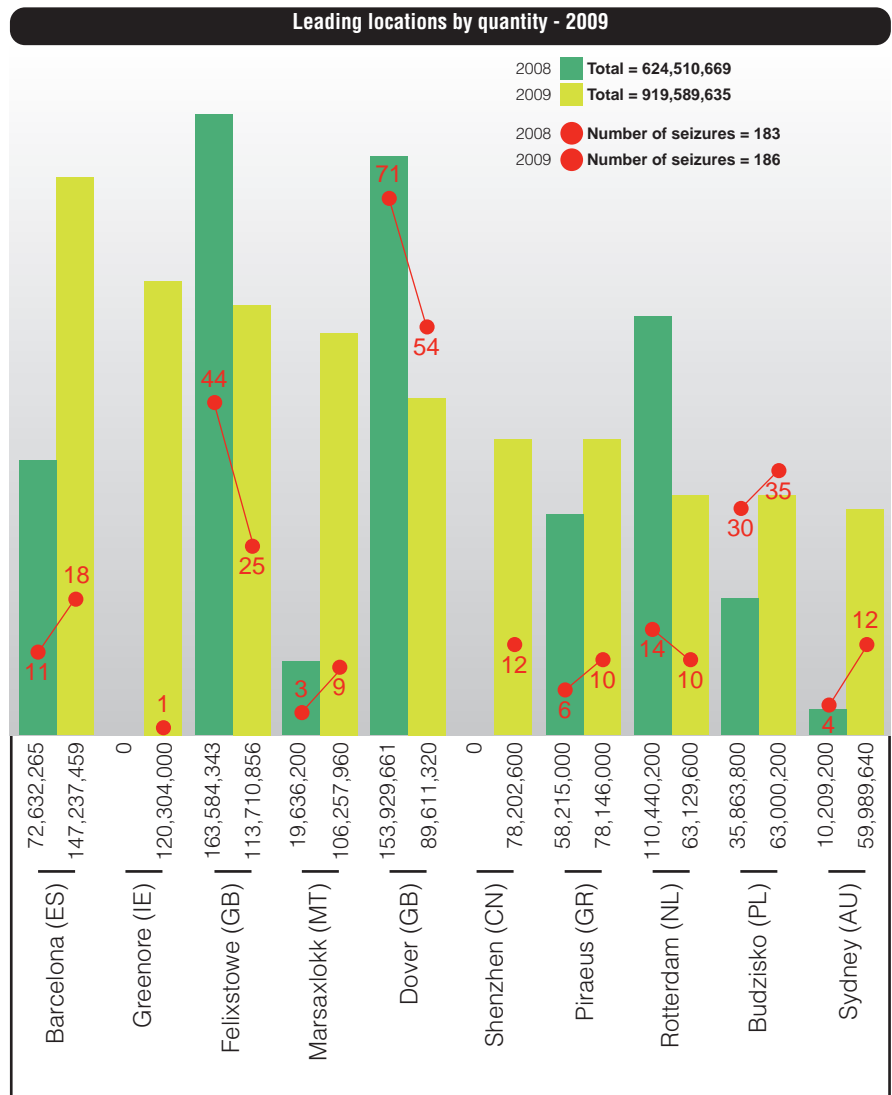
A 20 % increase in seizures made at rail locations resulted in a three-fold increase in the related contraband. Out of a total of 176 seizures in 2009, 151 (85 %) were reported from Poland. The bulk of the contraband was detected there (32 million cigarettes), and in Latvia where 25.8 million cigarettes were seized in just 6 detections.

There was a remarkable decrease in detections of significant shipments at mail centres. This is probably due both to a lack of reporting and to the fact that smugglers are tending to reduce the number of cigarettes within individual consignments.

Country of departure and country of destination: main routing

When reviewing the main routings of illicit cigarette consignments, it is important to bear in mind that in the CEN database the country of departure and the country of destination do not necessarily coincide with the real departure and destination of the illicit consignment. Moreover, in a large number of cases this information is not available, particularly when the consignment was detected at an inland location in the reporting country and the origin and/or final destination of the contraband was not known when the information was input into the database. Unfortunately, for more than 10 % of the cigarettes seized at seaports in 2009 the origin of the contraband was not indicated. These seizures (114) were reported by 6 countries located in Western Europe and in Asia/Pacific.

In any event, in 2009 there were fewer cases



involving unknown origin of the contraband than in previous years : 454 compared to 703 accounting, respectively, for 23 % and 33 % of total cases reported. The quantity of the related contraband remained almost the same (around 800 million cigarettes), but in 2009 this represented 23 % of the total contraband seized, as compared to 27 % in the previous year.

The table shows those countries which were indicated as the country of departure of contraband more than ten times in 2009. The list accounts for 72 % of all cases reported, corresponding to 67 % of the global quantity seized.

This list of countries reflects the high number of records reported to the CEN database by the European membership. The top three countries in 2009 -namely Ukraine, Poland and China - are the same as the previous year.

Ukraine and Poland were the most frequent source for the contraband detected in and destined for the European region only.

China was the source of the highest amount of contraband (21 % of the global quantity seized), followed by the United Arab Emirates (9 %).

The consignments originating in China were,

as usual, seized in and destined for various countries. The graphs show the regions where seized, by number of cases and quantity seized in 2009. Where the Asia/Pacific region is concerned, the lack of reporting in the year 2008 must be taken into account.

Unfortunately it was not possible to analyze in more depth the cases indicating the United Arab Emirates (UAE) as the source of the contraband. UAE could in fact be the transit or transshipment location for consignments originating in the Far East. Compared to 2008, the number of cases doubled and the quantity concerned increased by two-and-a-half times. These shipments (47) were detected in four regions in 2009: Europe (33), Middle East (7), Asia/Pacific (6) and East and Southern Africa (1).

In Europe, the number of detections with UAE indicated as the source increased from 18 to 33, and the related contraband rose from 95 to 249 million cigarettes, out of more than 304 million cigarettes indicated as departing from the UAE in 2009.

Worth noting also are the seizures (7, for 41.4 million cigarettes) recorded in the Middle East (Oman, Saudi Arabia and Kuwait) in 2009, compared to none in the previous year. However this change may be attributable to a previous lack of reporting. One consignment was also detected in East and Southern Africa (Mozambique), where more than 11 million cigarettes were seized.

Zimbabwe was the main source of the contraband detected in the latter region, according to the data reported from Botswana and Mozambique (9 seizures for 8.5 million cigarettes) in 2009.

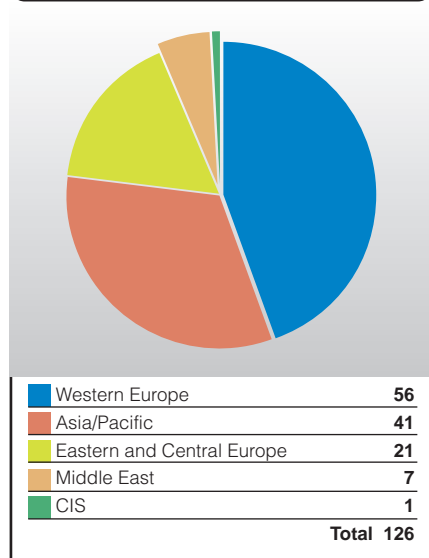
Paraguay remains the source for the illicit consignments destined mainly for Brazil. As in the previous year, in two cases the shipments were detected in Uruguay.

Countries of departure which have shown marked differences over the past two years will be examined as part of the regional overviews.

Top departure countries – 2009

Departure country	Number of seizures		Quantity (pieces)	
	2008	2009	2008	2009
Ukraine	573	447	195,449,262	190,784,927
Poland	196	220	100,311,756	82,986,788
China	117	126	768,059,587	723,649,292
Hungary	4	118	4,254,400	36,334,320
Russian Federation	48	84	61,430,900	156,290,619
Lithuania	41	66	45,261,220	57,697,740
United Arab Emirates	22	47	120,624,800	304,864,160
Greece	38	39	286,752,550	230,680,955
Belarus	9	30	7,078,360	77,537,700
Romania	30	26	16,479,700	23,768,660
Guinea	31	26	10,373,200	5,478,600
Estonia	3	21	4,367,200	14,827,529
Moldova	42	20	25,299,160	12,044,620
Latvia	6	18	10,657,207	28,909,200
Egypt	2	15	599,180	63,811,640
Hong Kong, China	7	14	1,522,440	56,655,272
Germany	11	13	26,850,237	25,576,820
Malaysia	11	13	25,158,600	23,534,538
Paraguay	22	13	35,848,360	37,131,440
Zimbabwe	0	13	0	11,120,320
Kenya	14	13	6,215,600	4,457,760
Netherlands	21	12	74,208,418	46,312,034
France	11	10	27,967,558	23,196,735
Spain	15	10	37,123,700	39,552,402
Total	1,274	1,414	1,891,893,395	2,277,204,071
Unknown	703	454	831,169,214	780,678,336
Grand Total	1,977	1,868	2,723,062,609	3,057,882,407

2009 – Region of seizures for shipments from China – Number of seizures



2009 – Region of seizures for shipments from China – Quantity

