

# Key Findings

## KPMG PROJECT SUN 2016 FACT SHEET

- Illegal cigarette consumption decreased from 53.0 billion to **48.3 billion**, equating to **9.1%** (vs. 9.8% in 2015 and 10.4% in 2014) of total consumption in 2016.
- Contraband and counterfeit (C&C) cigarettes – excluding illicit whites – dropped by **6.7%** to **31.9 billion** cigarettes
- Illicit whites declined and now constitute **33.9%** of all illegal cigarettes in the EU – equivalent to **16.4 billion** cigarettes. In 2006, illicit whites accounted for only 2.4% of all illegal cigarettes. Today they are consumed in **all 28 EU Member States**.
- Flows of C&C between countries within the EU has fallen, equating to **14%** of total illicit flows, while flows from non-EU countries also declined and now account for **86%** of the total illicit flows.
- EU Member States lost an estimated **€10.2 billion in tax revenues**.

## Country Facts

Top five EU countries for C&C cigarette consumption:

Countries	2015	2016	Var. ppt
Latvia	26.7%	22.6%	-4.1%
Greece	19.8%	18.8%	-1.0%
Ireland	15.7%	17.5%	1.8%
Malta	10.3%	17.2%	7.0%
Lithuania	18.7%	17.0%	-1.7%

Other EU countries with C&C cigarette consumption levels above the EU average (9.5%):

Countries	2015	2016	Var. ppt
Romania	15.6%	16.4%	0.8%
Poland	16.8%	15.0%	-1.8%
France	14.6%	14.8%	0.2%
UK	16.0%	14.3%	-1.6%
Estonia	14.4%	13.3%	-1.2%
Finland	12.0%	11.4%	-0.6%

Largest increases in C&C cigarette consumption (Percentage point change):

Countries	2015	2016	Var. ppt
Malta	10.3%	17.2%	7.0%
Austria	3.9%	6.9%	3.0%
Ireland	15.7%	17.5%	1.8%
Cyprus	5.7%	7.3%	1.5%
Slovakia	2.3%	3.5%	1.3%

### Largest decrease in C&C cigarette consumption (Percentage point change):

Countries	2015	2016	Var. ppt
Bulgaria	11.6%	6.8%	-4.8%
Norway	20.8%	16.4%	-4.4%
Latvia	26.7%	22.6%	-4.1%
Hungary	7.1%	4.3%	-2.8%
Sweden	10.2%	8.3%	-1.9%

### Top 10 countries for consumption of non-domestic legal purchases:

Countries	2015	2016	Var. ppt
Norway	25.0%	27.0%	2.0%
Ireland	9.7%	12.7%	2.9%
Switzerland	9.9%	12.4%	2.5%
France	12.5%	12.3%	-0.2%
Germany	11.7%	12.3%	0.5%
Netherlands	13.5%	12.1%	-1.5%
Austria	9.9%	10.9%	1.1%
Luxembourg	4.8%	10.8%	6.0%
UK	8.4%	10.0%	1.6%
Belgium	7.3%	5.3%	-2.1%

### Top 5 countries for Illicit Whites consumption (Billion cigarettes):

Top 5 EU countries for IW consumption	Volume (bn)	IW consumption as a % of total consumption	IW consumption as a % of C&C consumption	% growth in illicit white consumption (2015 to 2016)
Romania	3.15	12%	71%	84%
Poland	3.06	7%	50%	-26%
Italy	2.68	4%	60%	17%
Greece	1.59	8%	44%	-36%
France	1.10	2%	12%	-12%

# Illicit Whites

## Prevalence of Illicit White cigarette consumption in the EU:

1. 33.9% of C&C volume (-1.5pp vs. 2015)
2. Levels of illicit whites were measured at 0.2% in 2006, and today make up more than third of the C&C consumed in the EU, with presence across all 28 EU countries

## Main EU destination countries for Illicit Whites in volume % of total C&C:

Top 10 EU countries for IW consumption as a % of C&C consumption	IW as a % of C&C consumption
Lithuania	88%
Latvia	76%
Romania	71%
Malta	69%
Cyprus	63%
Italy	60%
Estonia	56%
Poland	50%
Hungary	47%
Slovakia	45%

## Countries with the largest growth in Illicit Whites (more than 10% growth between 2014 and 2015):

EU countries with the largest growth in illicit whites (more than 10% growth between 2015 and 2016)	Volume (bn)	IW consumption as a % of total consumption	IW consumption as a % of C&C consumption	% growth in illicit white consumption (2015 to 2016)
Austria	0.08	1%	8%	160%
Malta	0.06	12%	69%	118%
Denmark	0.01	0%	11%	102%
Romania	3.15	12%	71%	84%
Cyprus	0.06	5%	63%	29%
Slovakia	0.11	2%	45%	29%
Netherlands	0.05	0%	7%	27%
Finland	0.04	1%	7%	25%
Slovenia	0.04	1%	15%	21%
Italy	2.68	4%	60%	17%