

"Smuggling is organized crime!"

Bucharest, November 8, 2020 - The new wave of the "Smuggling is organized crime!" campaign started this week on OOH billboards in the border counties of Timiș, Arad, Suceava, Neamț, Iași, Mehedinți, Dolj, Olt and in Bucharest, on the public television station and TVR Iași and Cluj regional broadcasting channels, as well as online.

Launched in partnership with the National Agency of Fiscal Administration (NAFA), the General Directorate of Customs, the Border Police, the Romanian Police, with the support of JTI Romania, through www.faracontrabanda.ro, is going to take place in November and December. Additional materials and information can be found on www.faracontrabanda.ro and www.facebook.com/faracontrabanda.ro.

"The data processed during March-July show a decrease of the black market to 7.7% out of the total consumption, in comparison with 12.1% reported before the declaration of the pandemic. It is the lowest level since 2008, the year in which we started the research referring to the tobacco products black market, and the data for September show a similar approximate percentage, about 8.5%. In most of the country's regions, cigarettes smuggling activity has decreased. The Northeast area continues to be the hardest hit by the black market, with a percentage of 18.7%, although it is declining. From the point of view of the origin of the products on the black market, the share of "cheap whites" is increasing and exceeds 60%, and Moldova and Ukraine continue to decrease compared to March-July to 8.1% and 2% respectively", said **Marian Marcu, General Manager, Novel Research**.

"According to the September budget execution, excise duties for tobacco products increased by 13% (year on year), one of the reasons being the decrease in smuggling. Thus, given the conditions of significant reduction of cross-border traffic generated by measures to combat the spread of COVID-19 virus infection, during January-September 2020, the central surveillance and control teams at the central, regional, and local level, confiscated over 18.4 million cigarettes, thus avoiding their placement on the black market in Romania or other EU member states. At the same time, during September and October, the General Directorate of Customs, in cooperation with the customs administrations of neighbor states (The Republic of Moldova, Ukraine, Serbia) organized "STOP THE SMUGGLING OPERATION" to prevent and combat the illicit trafficking with tobacco and other types of products within the area of the Romanian border, respectively the external border of the European Union. The illegal cigarette trade increases criminality but also brings serious prejudice to the state budget. As a result, The General Directorate of Customs further supports, in partnership with domestic and international institutions, as well as with the honest private environment, actions to control the smuggling activity", said **Marcel Simion Mutescu, General Director of the General Directorate of Customs**.

"These months of restrictions have made illegal trafficking much more difficult. However, the Border Police continued to detect significant quantities of contraband cigarettes and to dissolve organized crime groups. **During the first nine months of 2020, approximately 2.4 million packs of cigarettes** with a value of over 30 million RON were seized and **7 organized groups** to commit the crime of cigarette smuggling were identified and dismantled, **36 persons** were involved. From the casuistry registered in the last months, there was also a tendency to introduce raw tobacco in the country, disguised among various legally transported products, through the Bulgarian border cross-point. **Within the last month, the Border Police confiscated more than 10 tons of bulk tobacco, the equivalent of about 535,000 packs of cigarettes**. Given that cigarettes are the most trafficked products at the country's borders, and in the winter months usually the level of the black market increases, the Romanian Border Police will continue to be the front line to combat this phenomenon", said **Liviu Bute, Head of the Border Police, Chief Police Quaestor**.

"The Romanian Police continued during 2020 to address, as a matter of priority, the organization and development of actions to prevent and combat crime in the field of **trafficking, processing, and illegal commerce in cigarettes and other tobacco products**, in order to reduce the negative impact on the consolidated general state budget, the screening of the mechanisms of the illegal market, the abolition of the unfair competition and the protection of the population's health. These actions were attended by police officers from the structures of investigating economic crime, as well as those of public order, traffic police, transport police, and the combat of organized crime. Compared to the similar period of the previous year, there is a slight increase in cigarette capture (+ 0.1%), which reflects the prioritization of this activity by the Romanian Police, especially within the current context of measures taken to prevent and combat the new Coronavirus COVID 19 pandemic and the descending trend of the black market in cigarettes", said **Aurel Dobre, Chief Commissioner of Police, Director of the Directorate for the Investigation of Economic Crime of the Romanian Police**.

"Smuggling is the main economic activity in the border regions, not being perceived as a serious social danger, a criminal phenomenon that harms the state budget by about half a billion euros annually. Therefore, the message of the campaign is clear: **"smuggling is organized crime!"**, along with trafficking drugs, weapons, human beings. Since 2010 JTI has been launching such annual public awareness campaigns on the profoundly negative effects of smuggling on society and the economy, noting that the black market is declining during the message spreading period. We wish the unprecedented downward trend recorded by Novel this year to be maintained", said **Gilda Lazăr, Corporate Affairs & Communications Director, JTI Romania, Moldova and Bulgaria**.

JTI transferred 4.2 billion RON to the state budget last year, meaning excises, VAT, and other taxes. The amount represents 78% of the turnover registered by the two entities active in Romania - JTI Trading and JTI Manufacturing.

JTI was the first tobacco company in Romania to sign, in 2005, a Cooperation Protocol to combat the illicit trade of cigarettes, with NAFA and, subsequently, with Customs Administration, Border Police, and IGPR. Since 2010, the company has donated to the Romanian Customs, over 50 dogs, logistically supporting the training of canine teams. In 2019, JTI donated to the Border Police four state-of-the-art drones and other equipment necessary for border surveillance and monitoring.