



THE AFRICAN CAPACITY BUILDING FOUNDATION | FONDATION POUR LE RENFORCEMENT DES CAPACITES EN AFRIQUE
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Addressing the Illicit Tobacco Trade in Senegal: Strategies for Enhancing Public Health and Economic Stability



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Key Takeaway

The illicit tobacco trade in Senegal is a significant issue, with an estimated value of over 14 billion FCFA (approx. 30 million USD), representing 0.16% of the country's GDP. This trade undermines public health policies, fiscal revenues, and fuels transnational criminal activities. The study findings highlight the need for improved border security, regular consumer behavior surveys, enhanced inter-agency communication, harmonization of tobacco taxation within the ECOWAS region, and modernization of tobacco seizure data collection.

1. The issue

Tobacco consumption is a significant public health concern with far-reaching economic and social implications. In Senegal, the illicit trade of tobacco products is exacerbating this issue, undermining public health policies, and causing substantial fiscal losses. The illicit tobacco trade includes both illegally manufactured tobacco products and legally produced but smuggled goods. This illegal introduction of cigarette products into territories has a significant impact on total revenue collected, thereby affecting national budgets.

The illicit tobacco trade is driven by the tobacco industry's initiatives to circumvent supply restrictions and consumers' attempts to avoid the full effects of price increase measures or quantity limitations. The development of illicit trade undermines efforts to combat smoking, particularly fiscal policies, as these parallel markets offer cheaper cigarettes, making them more accessible. High prices have been shown to deter tobacco consumption or strengthen the motivation to quit.

Despite the presumed significance of this cigarette smuggling and its fiscal loss implications and the financing of transnational criminal activities, there are no reliable statistics measuring its extent. This phenomenon undermines efforts to combat smoking, particularly fiscal policies, as these parallel markets offer cheaper cigarettes, making them more accessible.

Customs is the only government agency authorized to control all international movements at borders. Due to its unique control prerogatives, customs play a crucial role in government efforts to combat illicit exchanges, particularly the illicit trade of tobacco products. Currently, information sources to understand the extent of the phenomenon are sporadic customs seizures at borders, scattered across seizure locations in paper formats, and without any centralization.

This study aims to provide an overview of illicit trade through customs seizures and other official statistics and field survey results, with a view to centralizing and harmonizing available data and information. This will help to better understand the extent of cigarette smuggling in Senegal, identify areas of concentration of illicit cigarette trade, and trace the distribution channels of these products to aid in the implementation of appropriate measures in the fight against smoking.

2. Key findings and implications

Scale of illicit trade:

The study reveals a significant volume of illicit tobacco trade in Senegal, estimated at over 14 billion FCFA, primarily concentrated in the East and South zones, bordering Mali and Guinea. The main corridors for this illicit trade are Kidira, Moussala, Keur Ayip, and Mpack, which are border areas with Guinea and Mali. The comparison between tobacco sales and declared consumption shows a volume of illicit tobacco of around 15 billion FCFA in 2015. This figure is very close to the data from the field survey, which estimated it at 14.7 billion FCFA.

Scale of illicit tobacco imports:

The illicit tobacco imports are primarily from Guinea (43.2%) and Mali (38.9%), with a significant portion (11%) also originating from within Senegal. This indicates a substantial part of local production that evades domestic taxation. The study also found that the most trafficked tobacco brand is "Tabac brisé," accounting for 62% of illicit traffic, followed by SIR (7%) and RONSON (7%).

Illegal tobacco market:

The study also reveals that the illegal tobacco market covers 98% of unauthorized tobacco sales in Senegal and 2% of untaxed sales. Unauthorized sales generally involve illegal tobacco, free from production, storage, and quality control, representing a significant loss for the state in terms of customs revenue.

The implications of these findings are far-reaching. The illicit tobacco trade not only results in significant revenue loss for the state but also undermines public health efforts to reduce tobacco consumption.

The availability of cheaper, illicit cigarettes can lead to increased tobacco use, particularly among price-sensitive consumers. Moreover, the illicit tobacco trade can fuel transnational criminal networks and potentially finance other criminal activities, including terrorism in the Sahel region.

The study also highlights the need for more comprehensive and reliable data on tobacco consumption and illicit trade in Senegal. The lack of such data hampers the ability to fully understand the extent of the problem and to develop effective strategies to address it.

3. Main policy recommendations

Based on the findings of the study, the following policy recommendations are proposed to address the issue of illicit tobacco trade in Senegal:

Strengthen border security and inspection practices:

Implement measures to combat tax evasion and smuggling by enhancing border security and adopting best practices for container inspection. This would ensure that containers are unloaded at their destination countries, reducing the chances of illicit tobacco entering the market.

Establish a tobacco consumption monitoring system:

Set up a system to track tobacco consumption across the country by regularly conducting surveys on consumer buying behaviors. This would provide valuable data for understanding trends in tobacco use and the impact of illicit trade.

Promote interagency communication:

Develop a communication strategy between customs and other entities involved in tax collection and tobacco regulation enforcement. This would facilitate information sharing and coordination in tackling illicit tobacco trade.

Modernize the collection of seizure data:

Improve the system for collecting data on tobacco product seizures at the customs level. This would provide more accurate and timely information on the scale and nature of the illicit tobacco trade.

Harmonize tobacco taxation in the ECOWAS region:

Encourage alignment of tobacco taxes with neighboring countries. Price differences between countries or states can incentivize smuggling. Therefore, harmonizing taxes could help reduce the illicit tobacco trade.

Strengthen regional trade services:

Enhance the material, logistical, and financial capacities of regional trade services in their mission to combat illicit trade.

These recommendations aim to curb the illicit tobacco trade, protect public health, and increase government revenue from tobacco taxation. However, their successful implementation will require a concerted effort from various stakeholders, including government agencies, law enforcement, and public health organizations.

4. Further reading:

For more detailed information, please refer to the full study:

Etude sur l'analyse situationnelle du commerce illicite du tabac [*Study on the situational analysis of the illicit tobacco trade*]

<https://elibrary.acbfpack.org/acbf/collect/acbf/index/assoc/HASH1286/b703dd55/f707e09a/bf.dir/Analyse%20Situationnelle%20final%20copy.pdf>



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