

## Press Release

### **Logista Presents Ipsos Study on Illegality in the Smoking and Inhalation Products Market**

***Direct losses to the country system: €540 million in turnover, 5,100 jobs and €620 million in lost tax revenue***

***E-cig: €160 million in tax losses between the offline and online illicit market. Online purchases through illegal channels reach 65% of the value of the total online market***

***Traditional tobacco: Purchases from unofficial channels cause €460 million in lost tax revenue***

***Cannabis light: over 2 billion € of purchases in an industry without rules or taxation***

Rome, 3 April 2024

Logista, one of Europe's largest logistics operators, in collaboration with Ipsos, one of the world's largest market research, opinion analysis and strategic consulting companies, presents the results of the research "Smoking and inhaling products: a study on the illegality phenomenon".

The survey shows that the purchase of smoking and inhalation products through unofficial channels generates an overall loss, in terms of turnover, of approximately EUR 540 million, considering only the direct impact (production, distribution and sales) on the sector. The loss is mainly related to the electronic world, where a loss in turnover of approximately EUR 410 million is estimated.

The total lost turnover translates into a loss of 5,100 jobs and EUR 620 million in lost tax revenue, ascribable to e-cigs for EUR 160 million and to combustion products, where VAT and excise duty have a significant weight on the price paid by the consumer, for EUR 460 million.

In particular, for e-cigs (both disposables and capsules and liquids), the total value transiting online through unofficial channels (illegal websites and social networks) reaches 65% of the value of the total online market (legal and illegal).

The study also deals with the sizing of the light cannabis market, which has a total value of more than EUR 2 billion. The estimated economic values are 829 million euros for infusions, 522 million for e-cigs with light cannabis, 741 million for inhalation liquids.

Light cannabis, which in Italy is sold for technical uses, as a collector's item or as a convenience product, is instead smoked or inhaled by 2.8% of the population aged between 16 and 85 (1.4 million people), according to the survey. Among these, one third obtain their cigarettes from specialised shops, one in five from Internet sites, and one in ten use other commercial outlets and vending machines.

In general, the survey shows that the consumers of smoking and inhaling products who resort to unofficial channels are mainly men (59%), under 35 (45%) and declare a greater propensity to risk, which is embodied in 'less concern about the consequences of one's actions, even if they are wrong, and greater acceptance of illicit acts'.

As for the effects on crime, both the majority of Italians and smokers/vapers consider buying from unofficial channels a real crime that should be criminally punished.

The study, available on [logista.it](https://logista.it), was presented at the Sala degli Atti Parlamentari of the Italian Senate, and was commented on by a panel attended by **Col. Gaetano Cutarelli**, Commander of the Special Goods and Services Unit of the Revenue Guard and **Francesca Torricelli**, Head of the Tobacco Discipline Office of ADM (Customs and Monopolies Agency), in addition to the trade associations represented by **Mario Antonelli**, National Chairman of FIT (Italian Tobacconists Federation) and **Flavio Romeli**, National Coordinator of Assotabaccai.

This was followed by a panel discussion between **Sen. Matteo Gelmetti**, Member of the Budget Commission of the Senate of the Republic, the **Hon. Giuseppe Mangialavori**, President of the Budget Commission of the Chamber of Deputies, **Sen. Fausto Orsomarso**, Member of the Finance Commission of the Senate of the Republic, and **Federico Rella**, Vice-President and Corporate Affairs Director of Logista Italia.

**Mario Antonelli**, National Chairman of the Italian Tobacconists Federation, declares: *"Although smuggling and counterfeiting in our country have not reached the peaks of other European countries, also thanks to our distribution system, it is a criminal phenomenon that depletes the Treasury and the entire supply chain. We tobacconists, as the injured party, are available to offer every possible experiential contribution to the Institutions and the Supervisory and Control Authorities in order to identify together all those possible strategies and interventions that can be effective in this unrelenting fight"*.

**Flavio Romeli**, Assotabaccai National Coordinator, said: *"We thank Logista for providing us with a valuable tool to identify areas for improvement. In our opinion, retailers can and should be used to raise consumer awareness of the importance of buying products through legal channels. The report shows that users of illegal channels have little knowledge of the origin of the smoking and inhaling products they purchase and are not concerned about the fact that, since they are not controlled, they can be more dangerous and harmful to health than is already known"*.

**Federico Rella**, Vice-President and Corporate Affairs Director, Logista Italia, commented: *"In commissioning the Ipsos study, which for the first time analyses the phenomenon of the illegal market by sales channel and measures the cannabis light market, Logista confirms itself as a point of reference for the entire supply chain. The survey highlights how illicit trade is dramatically taking away strategic*

*resources for the country: 620 million euros in lost tax revenues and a loss of over 5,000 jobs. A very worrying fact is the proliferation of illegal online channels. We are confident that this study can support policymakers in intervening at a regulatory level so as to bring an important market share back within the boundaries of authorised distribution. The same attention - concludes Rella - should also be paid to the light cannabis sector, which still lacks clear regulations and impositions if compared to other smoking products”.*

## **About Ipsos**

Ipsos is one of the world's largest market research, opinion polling and strategy consulting companies, operating in 90 markets and employing nearly 20,000 people.

Its research professionals have developed unique multispecialist capabilities that can produce timely and relevant information to turn it into concrete business strategies.

Ipsos, with its 75 solutions, works to provide all its partners with a total understanding of markets, society, and people. To do this, it uses a unique mix of professional skills, technology and technical know-how applying the principles of concreteness, security, simplicity and speed to everything.

Founded in France in 1975, Ipsos has been listed on the Euronext Paris since July 1, 1999.

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## **About Logista**

Logista is the leading distributor to proximity retailers in Europe. In Italy, it has built one of the largest proximity logistics and trade networks and is recognized as an efficient and neutral partner. With more than 90 depots, it supplies 60,000 points of sale throughout the country, guaranteeing the State a revenue of around 15 billion euros per year. Logista is committed to numerous sustainability initiatives designed to minimize the impact of business by considering environment, community and business in a vision of mutual development.

Follow Logista Italia on [LinkedIn](#) and learn more on [logista.it](http://logista.it)

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