



About this Release:

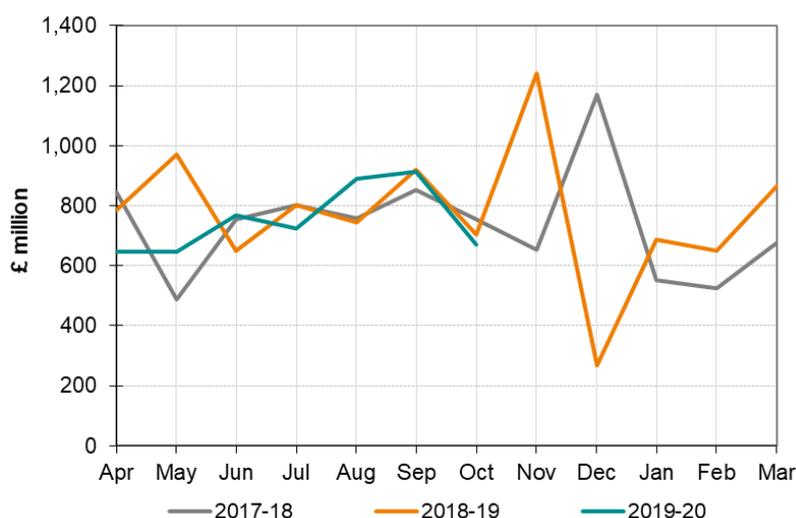
This publication provides Official Statistics on Tobacco Duty, which covers duty on cigarettes, cigars, hand rolling tobacco (HRT) and other types of tobacco such as pipe and chewing tobacco.

The statistics in this release are based on data from recent and historic trader returns up to the previous calendar month. Detailed statistics on clearances and receipts are provided in the accompanying tables.

In practice, tobacco duty is paid under duty deferment arrangements, whereby liability accrued during one calendar month is paid in duty to HMRC the following month. Therefore, the monthly receipts statistics covered in this publication relate to tobacco products cleared in the previous month.

Chart 1: Tobacco receipts can be volatile on a monthly basis

Total monthly cash receipts for the current and previous two financial years



Tobacco Duty

Tobacco Duty is a tax payable on tobacco products **manufactured** in the UK or **imported** into the UK.

Manufacturers must make a return to HMRC on any day when tobacco products are released onto the UK market unless the manufacturer has an agreement with HMRC to defer duty, in which case a return can be **made on a monthly basis**.

Changes to tobacco product duty are announced in the **Budget each year**. Clearances are usually high in months immediately preceding the Budget due to tobacco manufacturers forestalling against duty increases.

Headlines:



Total tobacco receipts for 2019-20 to date (April to October) are £5,259 million, which is £318 million (5.7%) lower than the same period in 2018-19.



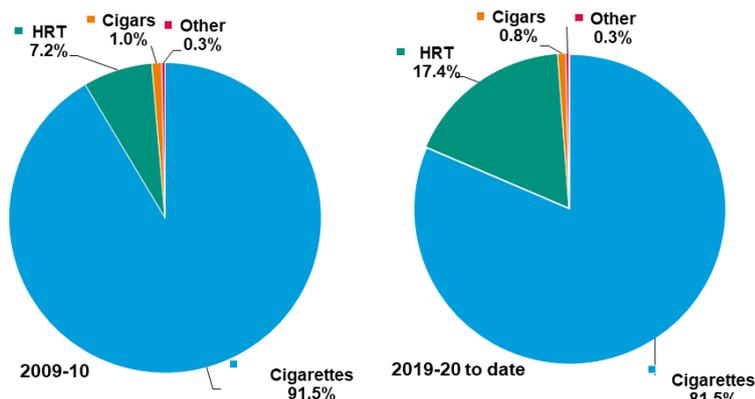
The latest 3-month total (Aug, Sep & Oct) for tobacco receipts is £2,472 million, which is £103 million (4.3%) higher than the same period in 2018-19; and £333 million (15.6%) higher than the previous 3-month total (May, Jun & Jul).



Monthly Receipts in 2019-20 have so far followed a similar trend to 2018-19 and 2017-18. However there is some volatility around April and May, due to factors such as clearance behaviour by tobacco manufacturers.

Monthly total tobacco cash receipts are calculated by summing the receipts from a variety of different cigarette types and other tobacco products. This, as well as substantial changes to rates of duty across all tobacco products and forestalling prior to government budgets or the tobacco manufacturers' own price rises mean that monthly total receipts have been volatile over the last few years.

Chart 2: The percentage of HRT receipts has been increasing
Percentage by type of Total Tobacco Receipts for 2009-10 (left) and 2019-20 to date (right)



The percentage of **cigarette receipts** has decreased, and **hand rolling tobacco** has increased since 2009-10. This is likely due to people moving from smoking cigarettes to hand rolling tobacco, possibly because it is cheaper.

Current Duty Rates

Duty on **cigarettes** is calculated as a percentage (16.5%) of the retail price plus a specific amount (£228.29) per 1000 cigarettes

OR

As a single amount (£293.95) per 1000 cigarettes **whichever is higher.**

Duty on all other tobacco products is charged by the kilogram:

- **Hand rolling tobacco** £234.65 per kg
- **Cigars** £284.76 per kg
- **Other products** £125.20 per kg

Other products covers other smoking products (e.g. pipe tobacco) and chewing tobacco.

Total Tobacco Receipts by Product Type (£ million)

Financial Year	Cigarettes	Hand Rolling	Cigars	Other	Overall Total
2017-18	7,419	1,320	64	24	8,827
2018-19	7,748	1,444	74	24	9,290
2019-20 to date	4,285	913	45	17	5,259

Chart 3: Cigarette Receipts are declining, HRT receipts are increasing
Cigarette and HRT yearly tobacco receipts for the previous ten financial years

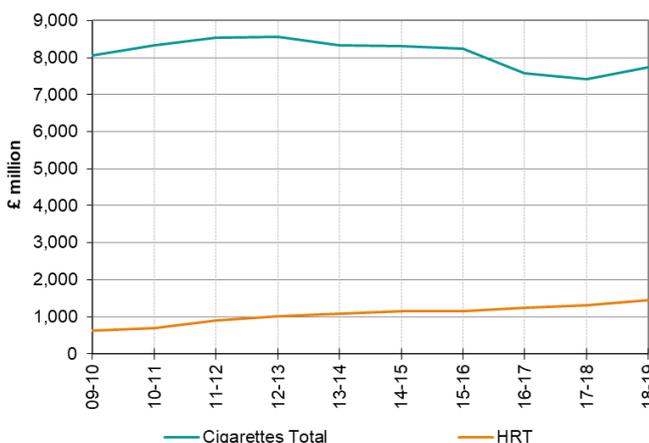
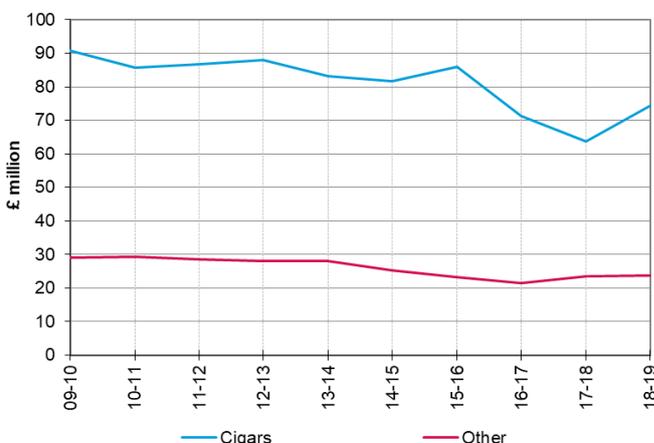


Chart 4: Cigar and other product receipts are declining since 2009-10
Cigar and other products yearly tobacco receipts for the previous ten financial years



- **Cigarette receipts** have been decreasing since 2012-13, however there was a slight increase last year over 2017-18.
- **Hand rolling tobacco** receipts have increased steadily over the last 10 years from £633 million in 2009-10 to £1,444 million in 2018-19.
- **Cigar receipts** have been decreasing since 2009-10, however there was an increase last year compared to 2017-18.
- **Other tobacco products** also gradually decreased since 2009-10, however they have decreased at a roughly consistent rate.

Contact info: revenuemonitoring@hmrc.gov.uk

Sam Wheeler: 03000 564665

Prabhjot Sethi: 03000 586896

Media: 03000 585024

<https://www.gov.uk/government/statistics/tobacco-bulletin>