

Russia's New Cigarette Tax May Bolster Tobacco Smuggling

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The cost of cigarettes in Russia is set to double in 2017 amid fears the price hike will stoke illegal tobacco use, [Russian tabloid Izvestia reported Wednesday](#).

According to an internal Kremlin letter seen by Izvestia, the average cost of a pack of cigarettes could reach 220 rubles (\$3.58) due to new tax hikes. The average cost now is just 90 rubles (\$1.46).

Russia's State Duma passed the first reading of a bill to raise excise tax on cigarettes each year [until at least 2019 in November](#).

The Kommersant newspaper later reported that Value Added Tax on tobacco would rise to 14.5 percent, not by 13 percent as was reportedly planned by the Finance Ministry.

The Kremlin now fears that even more cash-strapped Russian smokers will resort to illegally-smuggled tobacco from Belarus or Kazakhstan.

Many smokers are already feeling the pinch. Russia's Interior Ministry has seen an 84 percent rise in crimes related to the illegal manufacture or trafficking of cigarettes in the first nine months of 2016.

Russia is already under pressure to crack down on counterfeit alcohol after more than 50 people in the Siberian city of Irkutsk [died after drinking bath tincture](#).

The mixture, which is often used as a cheap alternative to vodka due to its high ethanol content, reportedly contained methanol and other substances not marked on the bottle's label.

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