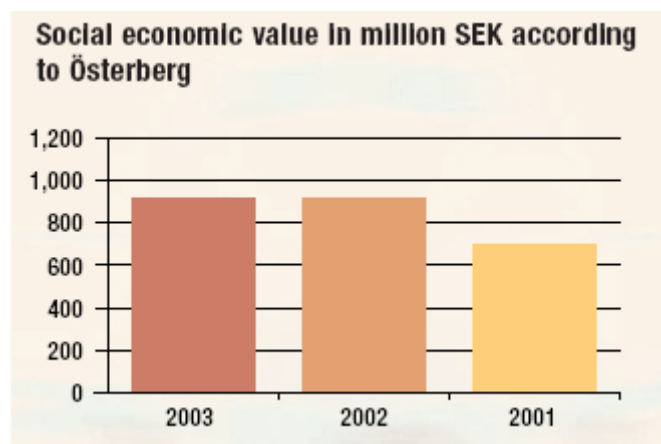


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Social economic value of seizures of narcotics, alcohol and cigarettes

In an Official Government Report 1998 called “One Border - One Public Agency” the member of parliament, Sven-Erik Österberg, introduced a new model for assessing the social economic value of customs seizures of narcotics, alcohol and cigarettes. Society runs into high expenditure caused by drug abuse and evasion of taxes on alcohol and cigarettes. When the Swedish Customs deprives the illegal market of these commodities a social economic surplus value ensues. According to the Österberg Model the value in 2003 amounted to SEK 933 million. Seizures of narcotics have increased since 2002 and amount to SEK 746 million. Tax evasion caused by smuggling of cigarettes increased considerably to SEK 148 million. The sum total of the social economic value reached the same level as in 2002.



The division of value of the respective seizures is shown in the pie chart below. In 1998 the Swedish Customs started a joint project together with a number of other public agencies, including representatives of the National Alcohol Board, the National Police Board and the Institute of Public Health with the objective of creating a system for measuring how efficient the combat against first of all narcotics was. The illegal importation of alcohol and cigarettes was also included in the study. The project group arrived at a more detailed computational method, the so-called Börjesson Model, which included several more kinds of narcotic drugs than the Österberg Model. When the social economic value was calculated according to the Börjesson Model it amounted to SEK 1,266 million.

The ability to calculate the social economic value the Swedish Customs generates has become a most important feature when the Service reports its operational efforts. Demands have been raised for a system gauging what effectiveness the law enforcement of the Swedish Customs has on the supply of narcotics and contraband alcohol and cigarettes in Sweden.

Cigarettes

Large seizures of cigarettes were made in 2003 and the quantities reached a recordbreaking level. They also included the largest single seizure ever made in the entire history of the Swedish Customs - 27 million cigarettes.

As was the case in previous years the major part of the large seizures were made in the flow of traffic directly from third countries, mainly from several of the prospective EU member states. Large seizures made in the internal EU traffic are often linked to third countries. Large-scale cigarette smuggling from Poland, Russia and the Baltic States, regardless of mode of

transport and final destination, thus still constitutes a grave danger and quite irrespectively if it occurs in traffic directly from third countries or in the EU traffic. A predominant part of the total quantity of cigarettes seized in Sweden was counterfeit. The main purpose of this process is to provide the Trade Support and Anti-Smuggling process with intelligence reports helping them eliminate or restrict serious threats and dangers posed.

The number of seizures of cigarettes has been heavily reduced. The reason for this is probably that Sweden is not used as a transit country to the same extent as during the year before. The figures were compiled from the Case Diary 2 January 2003.