

23 April 2014

Supplementary forecast information release

Forecast for Hand-Rolled Tobacco Clearances

We are releasing the information following a request for further detail underlying our March 2014 *Economic and fiscal outlook (EFO)*. The OBR will where possible meet requests to release supplementary forecast information, where this will improve the quality of public debate on the public finances. Our full release policy can be found on our website.

The table below shows the forecast for clearances of hand-rolled tobacco which feeds into the tobacco receipts forecast. The forecast for cigarette clearances is published in Table 2.10 of the supplementary fiscal tables on the OBR's website.

In contrast to declining cigarette clearances over the forecast period, clearances of hand-rolled tobacco have risen in recent years¹ and we assume that there will be further rises in clearances over the forecast period. Rising clearances for hand-rolled tobacco may reflect the slower growth in the price of hand-rolled tobacco relative to cigarettes and a downward trend in the tax gap.²

Clearances of Hand-Rolled Tobacco						
Million kilograms						
Outturn	Forecast					
2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
6.2	6.5	6.7	6.9	7.1	7.3	7.5

¹<https://www.uktradeinfo.com/Statistics/Pages/TaxAndDutybulletins.aspx>

²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/249537/131010_Measuring_Tax_Gaps_ACCESS_2013.pdf (p28)
<https://www.gov.uk/government/publications/tobacco-tax-gap-estimates>