



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 12/23/1999

GAIN Report #E29134

European Union

Tobacco and Products

Annual report 1999

1999

Approved by:

Office of Agricultural Affairs

U.S. Mission to the EU

Prepared by:

Danielle Borremans

Report Highlights:

Starting with the 1999 tobacco harvest, EU support payments are modulated according to tobacco quality, i.e., part of the premium is linked to the value of the tobacco produced. Also, measures are underway with regard to public health protection through the prevention of smoking.

Includes PSD changes: Yes

Includes Trade Matrix: No

Annual Report

Brussels[BE2], E2

Executive Summary	1
Production - Supply - Demand Table	2
Production	2
Production policy - Guarantee thresholds	2
Production policy - Premiums	4
New production policy encourages the improvement of crop quality	4
Actual production volume	5
Crop Area	7
Inputs	7
Producer prices	8
Consumption	9
EU health policy	9
Trade	10
Tobacco trade with the U.S.	11
Trade - Trade Policy	12
Annex: Tobacco trade	14

Executive Summary

Starting with the 1999 harvest, the European Commission has made amendments to the premium scheme, production quotas and specific aid to be granted to producer groups in the raw tobacco sector. The principal objective behind the reform was to increase quotas for varieties which have assured outlets and attract high market prices. Furthermore, support payments are "modulated" according to tobacco quality, i.e. part of the premium is linked to the value of the tobacco produced.

In addition to changes in production policy, a reform proposal governing the manufacture, presentation, and sale of tobacco products is currently before the European Council and the European Parliament. The focus is on the protection of public health through the prevention of smoking. This will, among others, be done by providing consumers with ample information on the health-damaging effects of tobacco use.

Note: EUR 1 = \$ 1.0075 on December 23, 1999.

Production - Supply - Demand Table

PSD Table						
Country:	European Union					
Commodity:	Tobacco, Unmfg.					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Planted	136203	136203	139100	139100	0	133470
Beginning Stocks	286291	286291	244942	244942	0	206565
Farm Sales Weight Prod	335076	335076	349422	342022	0	345725
Dry Weight Production	300563	300563	313432	306794	0	310116
U.S. Leaf Imports	108923	108923	110000	111141	0	115000
Other Foreign Imports	427187	427187	425000	422270	0	425000
TOTAL Imports	536110	536110	535000	533411	0	540000
TOTAL SUPPLY	1122964	1122964	1093374	1085147	0	1056681
Exports	168022	168022	180000	178582	0	185000
Dom. Leaf Consumption	125000	125000	125000	120000	0	115000
U.S. Leaf Dom. Consum.	115000	115000	115000	115000	0	115000
Other Foreign Consump.	470000	470000	470000	465000	0	455000
TOTAL Dom. Consumption	710000	710000	710000	700000	0	685000
TOTAL Disappearance	878022	878022	890000	878582	0	870000
Ending Stocks	244942	244942	203374	206565	0	186681
TOTAL DISTRIBUTION	1122964	1122964	1093374	1085147	0	1056681

Production

Production policy - Guarantee thresholds

Tobacco farming is currently governed by Council Regulation 2075/92 (as amended). Since the 1993 harvest, the common market organization for tobacco limits subsidized production and has no provisions for intervention buying or export subsidies. The system covers all varieties of tobacco grown in the EU. The goal of the system is to ensure a certain level of income for tobacco producers who are generally located in the most economically challenged, poorest regions of the EU. This is accomplished by paying producers premiums, which vary for each of the 8 tobacco variety groups. The European Commission classifies the varieties of tobacco produced in the EU into eight categories based on the method used to dry the leaves. It also bases its statistical information on these categories. The eight are: Flue-cured (e.g. Virginia); Light air-cured (e.g. burley); Dark air-cured (e.g. Paraguay); Fire-cured (e.g. Kentucky), Sun-cured (e.g. Herzegovina), Basmas, Katerini and Kaba Koulak (Classic). The latter three are only grown in Greece.

In order to guard against excessive production, a quantitative limit called the guarantee threshold, is set on the amount

of production which is eligible for premium payments. EU Council Regulation 660/99 of March 22, 1999 sets the guarantee thresholds per variety group for each of the EU tobacco producing member states for 1999, 2000, and 2001. Member States are responsible for dividing production quotas among all producer groups. The allocation is done in proportion to the average quantity of tobacco delivered for processing by each producer group over the three years preceding that of the most recent harvest. See Table 1 for details on the 1999 guarantee threshold. In 2000 and 2001, guarantee thresholds will be gradually reduced to 347,475 MT and 347,055 MT, respectively. See Table 2.

Table 1: EU guarantee thresholds, harvest year 1999 (Metric tons)

Tobacco type	Italy	Greece	Spain	Port.	France	Germ.	Belg.	Austr.	TOTAL
Flue-cured	48125	30700	29000	5500	9500	3000	-	30	125855
Light air-cured	46655	12400	2470	1200	8300	4125	191	446	75787
Dark air-cured	18056	-	10800	-	8548	4500	1662	100	43666
Fire-cured	7173	-	30	-	-	-	-	-	7203
Sun-cured	12000	14800	-	-	-	-	-	-	26800
Basmas	-	26100	-	-	-	-	-	-	26100
Katerini	500	22250	-	-	-	-	-	-	22750
K.Koulak	-	20407	-	-	-	-	-	-	20407
TOTAL	132509	126657	42300	6700	26348	11625	1853	576	348568

Source: EU Council Regulation 660/99 of March 22, 1999, L83/10

Table 2: Guarantee thresholds for the 1999, 2000 and 2001 harvests (MT)

Tobacco variety group	1999 harvest	2000 harvest	2001 harvest
Flue-cured	125,855	126,730	127,430
Light air-cured	75,787	76,132	76,132
Dark air-cured	43,666	43,510	43,510
Fire-cured	7,203	6,995	6,995
Sun-cured	26,800	22,740	21,100
Basmas	26,100	26,330	26,330

Katerini	22,750	24,250	24,770
Kaba Koulak	20,407	20,788	20,788
Total	348,568	347,475	347,055

Source: EU Council Regulation 660/99 of March 22, 1999, L83/10

Production policy - Premiums

The EU uses support payments (premiums) to ensure the continued production of tobacco in the EU up to the guarantee threshold. EU Council Regulation 660/1999 of March 22, 1999 fixes, for the harvest years 1999, 2000, and 2001, the premiums for leaf tobacco by group of tobacco varieties. See Table 3. For flue-cured, light air-cured and dark air-cured tobaccos grown in Austria, Belgium, Germany and France, a supplementary amount is granted equal to 65% of the difference between the premium applicable to the 1998 harvest and the premium applicable to the 1992 harvest for those tobaccos. These supplementary amounts are also listed in Council Regulation 660/1999. See Table 4 for details.

New production policy encourages the improvement of crop quality

The average quality of tobacco grown in the EU is very low with the exception of Greek Oriental tobaccos (Basmas, Katerini, Kaba Koulak) which are of good quality and are sold at high prices. The poor quality is particularly clear for most of the Greek and Italian Virginia and burley tobaccos whose support premiums are many times larger than the producer price of a kilogram of tobacco. The only market for such tobacco is as filler in cheap mixtures.

Starting with the 1999 harvest, the European Commission has made amendments to the premium scheme, production quotas and specific aid to be granted to producer groups in the raw tobacco sector. The principal objective behind the reform was to increase quotas for varieties which have assured outlets and attract high market prices. Furthermore, support payments will be "modulated" according to tobacco quality, i.e. part of the premium will be linked to the value of the tobacco produced. Rules for the breakdown of the premium, as well as the relation between the variable part and the premium, are listed in Annex V of Commission Regulation 2848/1998 of December 22, 1998.

The premium comprises:

- a fixed part, which remains constant for all producers, regardless of quality;
- a specific aid, i.e., 2 percent of the premium;
- a variable part (for the 1999 harvest year: between 15 and 25 percent, depending on the group of tobacco varieties; increasing to between 30 and 40 percent for the 2001 harvest year);

Both the specific aid and the variable part of the premium will be paid to producer groups for distribution to their group members. The calculation of the variable part of the premium for each batch of tobacco delivered to processors will generate a lot of bookkeeping for each producer group. The purchase price paid by processors for each batch delivered will determine the level of the variable aid payable to the tobacco grower. In 1998, 99.6 percent of the

342,000 MT of raw tobacco delivered to processors, was delivered by producer groups. Less than 1 percent of all EU tobacco producers remain unaffiliated.

Commission Regulation 2848/98 also specifies the purposes for which specific aid may be used. These are, among others, the employment of technical staff to assist members in improving the quality of their production, supply of higher-quality inputs, and implementation of environmental protection measures.

Table 3: EU premiums for leaf tobacco for the 1999, 2000, and 2001 harvests

Category	Premium (EUR/kg)
I. Flue-cured	2.98062
II. Light air-cured	2.38423
III. Dark air-cured	2.38423
IV. Fire-cured	2.62199
V. Sun-cured	2.38423
VI. Basmás	4.12957
VII. Katerini	3.50395
VIII. Kaba Koulak	2.50377

Source: EU Council Regulation 660/1999 of March 22, 1999, L83, page 10.

Table 4: Supplementary amounts for specific tobacco varieties grown in certain EU member states

Tobacco variety	EUR/kg
Badischer Geudertheimer, Pereg, Korso	0.5509
Badischer Burley E and hybrids thereof	0.8822
Virgin D and hybrids thereof, Virginia and hybrids thereof	0.5039
Paraguay and hybrids thereof, Dragon vert and hybrids thereof, Philippin, Petit Grammont (Flobecq), Semois, Appelterre	0.4112

Source: EU Council Regulation 660/1999 of March 22, 1999, L83, page 10.

Actual production volume

EU tobacco production in 1998 totaled 342,022 MT, up 2 percent from 1997. Since yield levels remained constant, the increase was entirely the result of a 3000-hectare increase in area. Contracted tobacco volumes in 1999 totaled

345,725 MT (farm sales weight), below the guarantee threshold of 348,568 MT. Final production data for 1999 will be available when all tobacco from the 1999 harvest will have been delivered to processors.

Greece and Italy combined account for three quarters of the total volume of EU tobacco production. See Table 5 for the respective share of the 8 tobacco-producing Member States of the EU. Harvested volumes of tobacco, for the 8 groups of tobacco varieties during the period 1997-1999 are listed in Table 6.

Table 5: Tobacco production in the EU during 1998

Country	Area (HA)	Yield (MT/HA)	Production (MT)
Belgium	355	3.68	1,308
Germany	3,846	2.56	9,827
Greece	62,307	1.97	122,847
Spain	14,370	2.93	42,055
France	9,073	2.94	26,694
Italy	46,435	2.84	132,031
Austria	103	2.27	234
Portugal	2,611	2.69	7,025
TOTAL EU-15	139,100	2.46	342,022

Table 6: EU raw tobacco production, per variety groups, 1997-1999

Variety group	Harvest (1,000 MT)		
	1997	1998	1999 1/
Flue-cured	121,761	126,358	127,205
Light air-cured	71,988	73,087	77,333
Dark air-cured	43,277	43,657	39,822
Fire-cured	6,846	6,921	7,045
Sun-cured	26,309	27,331	25,725
Sun-cured/Basmas	25,314	24,589	26,035
Sun-cured/Katerini	22,192	22,093	22,286

Sun-cured/Kaba Koulak	17,389	17,986	20,274
Total EU-15	335,076	342,022	345,725

1/ Contracted quantities

Source: European Commission

Crop Area

The area corresponding with the contracted volume of tobacco in 1999 is 133,470 hectares, down 4 percent from 1998. The number of EU tobacco farmers continues to decline. Between 1995 and 1999, the number of tobacco farmers in the EU decreased by 16 percent, from 134,207 to 112,659. See Table 7 for a distribution of the contracted area for 1999 over the 8 groups of tobacco varieties in the EU.

Table 7: Contracted tobacco area in the EU, harvest year 1999

Tobacco variety	Hectares
Flue-cured	45,255
Light air-cured	20,016
Dark air-cured	13,932
Fire-cured	2,684
Sun-cured	10,125
Sun-cured/Basmas	20,636
Sun-cured/Katerini	11,721
Sun-cured/Kaba Koulak	9,101
TOTAL	133,470

Source: European Commission

Inputs

Tobacco farming is a small scale activity in the EU. In 1999, the mean acreage per producer under tobacco cultivation was 1.18 hectares. See Table 8. Acreage vary according to variety and country (the average acreage under flue-cured tobacco per farm in Italy is 11.2 hectares compared to an average of 0.9 hectares under sun-cured tobacco in Greece).

Tobacco is also one of the most labor intensive crops in the EU. On average, one hectare of tobacco calls for 2,200

hours of labor per farmer. For most varieties, labor accounts for 50-70 percent of the production cost although this too varies by country and variety (labor accounts for 85 percent of the production cost of the Basmas variety in Greece whereas it is only 45 percent of the production cost of flue-cured tobacco in Italy). More than 80 percent of the labor requirement is met by the family workforce. As tobacco is generally grown on small plots, the possibilities for mechanizing transplanting and harvesting operations are limited. See Table 9 for a development of yield levels per tobacco variety in the EU during the period 1993-1998.

Table 8: Average size of tobacco farms in the EU, 1999

Country	No. of tobacco farmers	Total tobacco area (HA)	Average size of tobacco area (HA/farm)
Germany	1,183	4,546	3.84
France	7,206	9,480	1.32
Belgium	281	359	1.28
Italy	32,568	42,735	1.31
Greece	63,586	60,834	0.96
Spain	7,179	13,214	1.84
Austria	85	110	1.29
Portugal	571	2,192	3.84
TOTAL EU	112,659	133,470	1.18

Source: European Commission

Table 9: Yield levels (MT/HA) for EU leaf tobacco, 1993-1998 1/

Tobacco variety	1993	1994	1995	1996	1997	1998
Flue-cured	2.39	2.37	2.64	2.65	2.76	2.77
Light air-cured	2.70	2.85	3.01	3.34	3.46	3.63
Dark air-cured	2.14	2.07	2.11	2.53	2.50	2.59
Fire-cured	1.95	1.97	2.34	2.22	2.29	2.26
Sun-cured	1.86	1.81	1.97	2.11	2.24	2.40
Special sun-cured 2/	1.33	1.40	1.48	1.53	1.65	1.54

1/ Austria included from 1995 onwards.

2/ Special sun-cured tobacco varieties grown in Greece: Basmas, Katerini, Kaba Koulak.

Source: European Commission

Producer prices

Tobacco grown in the EU remains a highly subsidized product. While, on average, the aggregate subsidy paid has been more than 5 times the market value of the product, large variations exist. In Table 10, the average prices (excluding taxes and other levies) paid by first processors to tobacco farmers, are listed together with the highest and lowest member state averages per variety. Compared to 1995, when the mean tobacco price paid by processors was EUR 0.6/kg, 1996 crop prices rose to EUR 0.88/kg. 1997 saw a further increase to EUR 0.94/kg. In 1998, the average price paid by first processors fell to EUR 0.79/kg.

Table 10: Average price paid by first processors for 1998 tobacco crop

Tobacco variety	Average EU price (EUR/kg)	Price range among EU countries	
		Lowest average (EUR/kg)	Highest average (EUR/kg)
Flue-cured	0.599	0.312	0.907
Light air-cured	0.365	0.203	1.039
Dark air-cured	0.507	0.095	1.267
Fire-cured	1.31	0.739	1.312
Sun-cured	0.367	0.222	0.483
Basmas	2.87	1/	1/
Katerini	1.654	1/	1/
Kaba Koulak	1.091	1/	1/

Source: European Commission

1/ not applicable since this tobacco variety is only grown in Greece

Consumption

The decreasing trend in EU consumption of cigarettes is due to a number of factors such as price increases through taxation, growing health consciousness, and limitations on advertizing. However, the decrease is primarily recorded in Northern Europe, rather than in Mediterranean countries, where per capita consumption is generally higher.

EU health policy

Mid-November 1999 the European Commission finalized a proposal for an EU directive on the manufacture, presentation, and sale of tobacco products. The proposal is based on a report which the EU Commissioner for Health presented in 1996, discussing fiscal and regulatory channels for combating tobacco-related health risks. As 500,000 EU citizens die each year from smoking-related diseases, the EU has begun to focus on the protection of public health through the prevention of smoking.

The proposal is currently before the European Council and the European Parliament, and the approval process should be finalized during the year 2000. It contains the following elements:

- a reduction in maximum tar levels of cigarettes from 12 mg to 10 mg per cigarette beginning December 31, 2003, or three years from the date of adoption;
- the creation of a maximum nicotine yield level of cigarettes marketed or manufactured in the EU of 1 mg per cigarette beginning December 31, 2003;
- the creation of a maximum carbon monoxide yield of not more than 10 mg per cigarette beginning December 31, 2003;
- the obligation for all manufacturers and importers of tobacco products to submit a list of non-tobacco ingredients, including additives, used in the manufacture of their tobacco products by brand;
- amendments to format and contents of health warnings put on tobacco products. The attention of consumers will be drawn to the links between smoking and certain diseases, and the particular danger of tobacco use by pregnant women;
- the prohibition of the use of terms such as "low tar", "light", "mild", unless authorized by EU member states. These terms have in the past led to misapprehensions on the part of consumers, in that they were erroneously assuming that these terms referred to products less harmful to human health.

Trade

The EU relies on significant quantities of raw tobacco imports to compensate for the relative low quality of EU-grown tobacco and to cater to strong demand for American-style cigarettes. The EU remains the world's largest importer of tobacco leaves, in 1998 accounting for 28 percent of the world's imports. Imports from third countries equaled 533,411 MT during 1998, 47 percent of which was flue-cured tobacco. Compared to 1997, EU imports of unmanufactured tobacco from third countries fell by less than 1 percent in 1998. Brazil took over the U.S. position of leading supplier of unmanufactured tobacco to the EU, exporting 29 percent more than in 1997, mainly in the form of flue-cured and light air-cured tobacco. As of 1999, Brazilian exports to the EU should decrease because of the withdrawal of Brazil's GSP benefits for tobacco. While the U.S. were also able to increase market share in the EU, other suppliers such as Zimbabwe, Malawi, and Turkey lost ground.

In volume, EU unmanufactured tobacco imports are three times higher than exports to third countries. The value of tobacco imported into the EU is, however, five times higher than the value of EU tobacco exports to third countries. The fact that import values are expressed as CIF values while export values are on an FOB basis, accounts for the largest part of this discrepancy. Compared to 1997, the average value (EUR/MT) of unmanufactured tobacco

imported and exported by the EU has increased by 3 percent and 1 percent, respectively.

During 1998, 178,582 MT of raw tobacco (over 50 percent of EU production) was exported to third countries, representing a 6-percent increase from 1997, when 168,000 MT were exported. The increase was in all variety segments, except for dark air and sun-cured tobacco, whose exports continued to decline. EU exports of unmanufactured tobacco are primarily destined for the former Soviet Union, Central and Eastern Europe, and North Africa. In these markets, the quality of the tobacco smoked is not as important as its price. See Table 14 for a summary of EU tobacco trade during 1998. Trade matrices for the main tobacco categories, and total unmanufactured tobacco are annexed.

Trade matrices for cigarettes and cigars are also included in the annex. Transparency provided by these statistics is low given the large proportion of trade data included under categories such as "secret extra-EU countries, stores and provisions, countries and territories not determined extra-EU". Another, far more important, factor playing a role in cigarette trade is smuggling. According to EU customs services, tobacco fraud is a growing problem. Given that more than half of the official selling price of cigarettes in the EU consists of excise duties, every illegal importation of cigarettes results in large income losses for the government and huge profits for smugglers. Some sources estimate "black" cigarettes to take up 10 percent of the EU market. The work of investigation services is more complicated the more complex smuggling routes are being set up. Countries on typical smuggling routes are Andorra, Cyprus, and the United Arab Emirates. For OLAF, the anti-fraud service of the European Commission, tobacco fraud currently represents the largest fiscal loss, with about half of investigations carried out in this area.

Table 11: EU raw tobacco trade during 1998 (Metric Tons)

	IMPORTS Intra-EU	IMPORTS Extra-EU	TOTAL IMPORTS
Total unmanufactured tobacco	250,029	533,411	783,440
of which dark air and sun-cured	28,486	62,031	90,517
of which light air-cured	23,611	90,232	113,843
of which flue-cured	146,921	252,531	399,452
of which fire-cured	2,110	13,455	15,565
	EXPORTS Intra-EU	EXPORTS Extra-EU	TOTAL EXPORTS
Total unmanufactured tobacco	163,279	178,582	341,861

of which dark air and sun-cured	27,430	61,739	89,169
of which light air-cured	24,248	31,961	56,209
of which flue-cured	46,559	39,810	86,369
of which fire-cured	2,940	3,368	6,308

Source: EUROSTAT

Tobacco trade with the U.S.

In 1998, EU imports of unmanufactured tobacco from the United States accounted for 21 percent of total EU imports from third countries. Virginia (flue-cured tobacco) and burley varieties (light air-cured tobacco) represent the main part of EU tobacco imports from the U.S.

EU exports of unmanufactured tobacco to the United States, representing 13 percent of EU exports to all third countries in 1998, consist primarily of dark air and sun-cured tobacco varieties. See Table 12.

Table 12: 1998 tobacco trade between the U.S. and the EU

	Imports from	the U.S.	Exports to	the U.S.
	MT	\$ 1,000	MT	\$ 1,000
Total unmanufactured tobacco	111,141	811,224	23,168	59,865
of which dark air and sun-cured	353	9,020	11,565	45,301
of which light air-cured	27,305	224,839	2,495	6,308
of which flue-cured	64,681	491,729	1,807	2,967
of which fire-cured	2,009	13,831	530	1,054
	Imports from	the U.S.	Exports to	the U.S.
	mill. pieces	\$ 1,000	mill. pieces	\$ 1,000
Cigarettes	180	2,198	2,558	19,139

Cigars, cheroots and cigarillos	4,375	4,133	615	9,002
---------------------------------	-------	-------	-----	-------

Source: EUROSTAT

Trade - Trade Policy

There is a large discrepancy between EU import duties for raw tobacco and finished products. During the period July 1, 1999 - June 30, 2000, certain types of tobacco (flue-cured Virginia type, light air-cured Burley type, light air-cured Maryland type and fire-cured Kentucky type) imported on a non-preferential basis are subject to an ad valorem duty of 19.2 percent. Other types of raw tobacco, imported on a non-preferential basis, are subject to a duty of 11.7 percent. For cigars, cheroots and cigarillos, an ad valorem duty of 30.3 percent applies. Cigarettes are charged an ad valorem duty of 63.0 percent, making non-preferential imports expensive. In order to protect its internal tobacco processing industry, the EU is not likely to change this tariff discrimination.

Developing countries, ranging from the beneficiaries of Lome Convention duty-free access to beneficiaries of the Generalized System of Preferences (GSP) such as Brazil, are generally the major suppliers to the EU market. Brazil, one of the U.S.' major competitors for EU market share, was, however, graduated from GSP benefits for tobacco as of January 1, 1999.

Export refunds are currently not used for raw tobacco or tobacco products exported from the EU.

Annex: Tobacco trade

Exports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: DARK AIR AND SUN-CURED TOBACCO (total)

Destination	MT	1,000 EUR
U.S.	11565	40411
Other:		
Russia	11114	22522
Algeria	7075	10491
Tunisia	3925	6699
Egypt	3412	5448
South Korea	3333	15101
Japan	3191	14361
Poland	2313	7214
Switzerland	2013	6706
Indonesia	1924	7545
Former Rep. Yugosl.	1368	2652
Total extra-EU	61739	170788
Total intra-EU	27430	118764

Exports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: SUN-CURED, variety: Oriental

Destination	MT	1,000 EUR
U.S.	7656	34222
Other:		

Russia	10869	22312
South Korea	3333	15101
Japan	3191	14361
Poland	2268	7174
Indonesia	1924	7543
Algeria	1900	3873
Former Rep. of Yugosl.	1368	2652
Tunisia	1300	3312
Switzerland	1201	4947
Czech Republic	1083	5870
Total extra-EU	45455	146768
Total intra-EU	23379	106976

Exports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: LIGHT AIR-CURED TOBACCO (total)

Destination	MT	1,000 EUR
U.S.	2495	5627
Other:		
Egypt	10065	22476
Algeria	3973	6844
Russia	1872	4471
Poland	1835	6311
Ukraine	1367	4812
Brazil	1296	4066
Switzerland	1078	2945

Japan	1064	3153
Hungary	1025	2673
Uruguay	791	1182
Total extra-EU	31961	80432
Total intra-EU	24248	66701

Exports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: LIGHT AIR-CURED, variety: BURLEY

Destination	MT	1,000 EUR
U.S.	2142	4679
Other:		
Egypt	10051	22469
Algeria	3973	6844
Russia	1681	3563
Brazil	1158	3639
Japan	1064	3153
Hungary	984	2547
Switzerland	918	2495
Poland	863	2124
Uruguay	791	1182
Ukraine	584	1531
Total extra-EU	28584	67075
Total intra-EU	23229	64140

Exports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: FLUE-CURED TOBACCO (total)

Destination	MT	1,000 EUR
U.S.	1807	2647
Other:		
Egypt	4101	7457
South Africa	3526	7130
Japan	2603	7276
Algeria	2450	4217
Uruguay	2169	2969
Singapore	2163	5032
Poland	2127	7054
Russia	2078	4649
Ukraine	1979	3899
Slovenia	1670	3915
Total extra-EU	39810	89448
Total intra-EU	46559	135109

Exports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: FIRE-CURED TOBACCO (total)

Destination	MT	1,000 EUR
U.S.	530	940
Other:		
Egypt	825	1055
Mauritania	517	923
Switzerland	403	1828

Colombia	217	551
Papua New Guinea	200	527
Russia	181	155
Indonesia	160	1519
Sri Lanka	138	1488
Dominican Republic	46	415
Ukraine	30	20
Total extra-EU	3368	9893
Total intra-EU	2940	26311

Exports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: TOTAL UNMANUFACTURED TOBACCO

Destination	MT	1,000 EUR	1,000 U.S.\$
U.S.	23168	53403	59865
Other:			
Russia	24614	39189	43931
Egypt	18842	36780	41230
Algeria	13498	21552	24160
Poland	9984	32782	36749
Switzerland	7573	25085	28120
Romania	7144	21114	23669
Ukraine	7071	15877	17798
Japan	6929	24824	27828
Tunisia	4299	7262	8141
South Africa	4115	8279	9281

Total extra-EU	178582	429162	481091
Total intra-EU	163279	457156	512472

Exports for CY 1998 - Quantity (1,000 Pieces) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: CIGARS, CHEROOTS, AND CIGARILLOS

Destination	1,000 Pieces	1,000 EUR
U.S.	615351	8030
Other:		
Algeria	602678	59
"Secret Extra12"	246563	11932
Sri Lanka	213004	35
Japan	184074	1228
Iceland	170595	1591
Slovakia	116231	72
Hong Kong	92742	1265
Switzerland	72930	7230
Russia	48273	355
South Africa	33330	1134
Total extra-EU	2744291	57320
Total intra-EU	8890601	328061

Exports for CY 1998 - Quantity (1,000 Pieces) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: CIGARETTES

Destination	1,000 Pieces	1,000 EUR
-------------	--------------	-----------

U.S.	2557958	17073
Other:		
Latvia	40611669	8287
Cyprus	31331063	21299
Former Yug.Rep.Maced.	27031183	13190
Singapore	16339287	182642
Bulgaria	16196104	8073
Japan	13439386	66522
U.A.E.	12271002	45124
"Secret Extra12"	11449739	10144
Hong Kong	10420965	125138
Russia	8812490	120504
Total extra-EU	262881878	1597898
Total intra-EU	331617674	3570459

Imports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: DARK AIR AND SUN-CURED TOBACCO (total)

Origin	MT	1,000 EUR
U.S.	353	8046
Other:		
Turkey	26522	111180
Brazil	7569	21685
Cuba	6884	18173
Bulgaria	2952	10230
Dominican Republic	2703	9180
Colombia	2421	5877

Argentina	1857	3536
Former Yug.Rep.Maced.	1731	8662
Philippines	1696	11272
Paraguay	1621	3779
Total extra-EU	62031	256838
Total intra-EU	28486	140173

Imports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: SUN-CURED, variety: ORIENTAL

Origin	MT	1,000 EUR
U.S.	18	40
Other:		
Turkey	26522	111180
Bulgaria	2862	9915
Former Yug.Rep.Maced.	1731	8662
Albania	1020	3591
Malawi	365	1224
"Not determined ext"	108	268
Former Rep.Yugosl.	82	324
Lebanon	53	113
Thailand	39	181
Syria	38	64
Total extra-EU	32940	135917
Total intra-EU	24428	121279

Imports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: LIGHT AIR-CURED TOBACCO (total)

Origin	MT	1,000 EUR
U.S.	27305	200570
Other:		
Malawi	23989	85408
Brazil	15399	61067
Thailand	3657	10064
Mexico	3042	13944
"Not determined Ext"	2791	9363
China	2273	7315
Argentina	1992	7879
India	1983	6026
Guatemala	1633	7815
Zimbabwe	1073	4645
Total extra-EU	90232	431893
Total intra-EU	23611	65175

Imports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: LIGHT AIR-CURED, variety: BURLEY

Origin	MT	1,000 EUR
U.S.	25491	187506
Other:		
Malawi	16624	60488
Brazil	14750	58501

"Not determined Ext"	2786	9351
Thailand	2517	6852
Guatemala	1619	7755
China	1489	4741
Mexico	1186	5264
Argentina	1114	4229
India	1091	3392
Zimbabwe	747	2759
Total extra-EU	72809	362836
Total intra-EU	19067	51612

Imports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: FLUE-CURED TOBACCO (total)

Origin	MT	1,000 EUR
U.S.	64681	438652
Other:		
Brazil	68126	301103
Zimbabwe	40402	182870
India	19326	53992
Canada	11355	50610
China	8799	26032
Tanzania	8156	27847
Argentina	7544	25000
"Not determined Ext"	4879	21378
Kenya	3829	11207

Malawi	3618	14717
Total extra-EU	252531	1190125
Total intra-EU	146921	167920

Imports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: FIRE-CURED TOBACCO (total)

Origin	MT	1,000 EUR
U.S.	2009	12338
Other:		
Indonesia	6239	41448
Malawi	1263	4218
Tanzania	1063	3167
Brazil	570	2420
Kenya	440	1734
Zimbabwe	315	1438
Uganda	289	941
Dominican Republic	254	928
Canada	235	979
Colombia	102	455
Total extra-EU	13455	75198
Total intra-EU	2110	21437

Imports for CY 1998 - Quantity (MT) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: TOTAL UNMANUFACTURED TOBACCO

Origin	MT	1,000 EUR	1,000 U.S.\$
U.S.	111141	723661	811224
Other:			
Brazil	117772	407998	457366
Zimbabwe	64620	202011	226454
Malawi	36653	109987	123295
Turkey	28575	114006	127801
India	26304	63686	71392
Canada	17426	55209	61889
China	15913	36564	40988
Tanzania	13753	34329	38483
Argentina	13316	38601	43272
"Not determined Ext"	10466	37115	41606
Total extra-EU	533411	2116691	2372811
Total intra-EU	250029	497243	557409

Imports for CY 1998 - Quantity (1,000 Pieces) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: CIGARS, CHERROOTS, AND CIGARILLOS

Origin	1,000 Pieces	1,000 EUR
U.S.	4375451	3687
Other:		
Cuba	2799928	63125
Dominican Republic	109908	14694
Honduras	66663	3717
Slovakia	19151	1029

Switzerland	12176	805
Virgin Islands	4109	314
China	3752	7
Indonesia	2500	159
Philippines	2218	144
Nicaragua	1456	1105
Total extra-EU	7402061	89660
Total intra-EU	13712432	352343

Imports for CY 1998 - Quantity (1,000 Pieces) & Value (1,000 EUR)

Average exchange rate CY 1998: EUR 1=\$1.121

Type: CIGARETTES

Origin	1,000 Pieces	1,000 EUR
U.S.	179690	1961
Other:		
Turkey	29543	185
Bulgaria	17103	97
Ukraine	13050	55
South Africa	12610	115
Switzerland	11573	490
India	6985	8
Hong Kong	6660	242
Lithuania	5716	133
Indonesia	5516	71
Russia	5290	244

Total extra-EU	317683	4181
Total intra-EU	847470188	3604598