Tobacco Trade

Tobacco trade is big business, for both the raw material (tobacco leaves) and the finished product (manufactured cigarettes). Brazil is the largest exporter of tobacco leaf, and the Russian Federation and the USA are the largest importers. Some countries that grow tobacco, such as the USA, also import foreign tobacco as well as exporting their own tobacco leaves. Interestingly, the USA exports approximately the same amount of tobacco that it imports. Because US tobacco is popular globally, and tends to be more expensive than tobacco from other countries, the value of US tobacco leaf exports are about double that of the same quantity US tobacco leaf imports.

Manufactured cigarettes are also traded globally. Again, the USA is the largest exporter of manufactured cigarettes, accounting for nearly 20 percent of the world total. Japan is the largest importer of cigarettes. According to government reports, $66 billion cigarettes were exported, but only 619 billion were reported to be imported. Statistics such as these provide a sense of the size of the cigarette smuggling problem.

China is quietly emerging as a significant cigarette exporter, increasing from virtually no exports in 1980 to over 20 billion cigarettes exported in 2001, worth about US$120 million. In 2005 the value of China’s export trade in cigarettes is predicted to be US$1600 million.