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Tobacco and Products

Annual

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Report Highlights: 2003 Italian tobacco leaf production is expected at 125,000 tons (farm weight), or slightly lower than in 2002 and within Italy's quota. Export levels should remain on the high side, due to the strong world demand, especially for Flue cured and Burley. The EU remains Italy's major customer (over 50%), while Eastern Europe accounts for almost 15 percent, and the U.S. for 6 percent of exports. Total imports rose by 33 percent, reflecting large arrivals from other EU countries, to be partially processed and re-exported. Imports from the U.S. recovered by 28 percent, but still much lower than in the recent past, due to large stocks from the previous years, and continued decline of domestic brand cigarette sales.

Includes PSD changes: Yes
Includes Trade Matrix: No
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SECTION I. SITUATION AND OUTLOOK

PRODUCTION

GENERAL

Italian tobacco output in 2002 is preliminarily estimated at about 127,600 tons (farm weight), or 3 percent lower than the official figure reported by AGEA (the State Market Intervention Agency) for 2001 (see table below), and slightly less than the national quota fixed for Italy by the EU (around 130,600 tons in 2002). Italian tobacco production in recent years has only marginally deviated from quota volumes. In fact, production in excess of the quotas is not officially reported, is generally the in lowest grades of the crop, and is not marketed due to its minimal profitability. Quotas are inflexible and cannot be traded among farmers or across regions. One region which underproduces cannot give unused quota to another.

Weather conditions in 2002 have been generally unfavorable in most of the producing regions, due mainly to excess rains in July, August and September. The most affected regions have been Umbria (for flue cured), Tuscany (for fire cured Kentucky) and northern Latium. No damages or minimal damages, on the contrary, are reported in southern Italy. In Veneto, where the best quality of the Italian flue cured is produced, prolonged rains are reported to have caused damages to the crop quality

PRODUCTION TABLE						
	AREA (Hectares)			PRODUCTION (Metric Tons, Farm Weight)		
	2001	2002	2003	2001	2002	2003
Flue Cured	17,156	17,715	17,400	48,878	50,000	49,300
Light Air Cured	10,669	11,250	10,900	50,198	51,500	49,700
Dark Air Cured	5,776	4,611	4,500	16,563	15,000	15,000
Fire Cured	2,383	2,184	2,100	6,285	5,700	5,600
Oriental	2,966	1,916	1,900	9,837	5,400	5,400
TOTAL	38,950	37,676	36,800	131,761	127,600	125,000

Note: Light air cured tobacco includes burley and Maryland tobaccos. Sources: AGEA,AgMinCoun

CROP AREA

AGEA, the only official source for tobacco production information in Italy, usually calculates tobacco planted area only after production figures are finalized. Thus, the estimates for 2002 by variety are not yet available. However, unofficial sources indicate a slight overall decrease (-3 percent) from the 2001 figure, as a combined result of decreased planted area to both Oriental and Dark air cured tobaccos, and marginal increases for Flue cured and Burley. The medium term trend, however, indicates a substantial decrease of the tobacco area, in line with possible EU policy measures reducing current subsidy levels and paying farmers for redemption of their production quotas (see The Production Policy section). Another limiting factor is represented by the decline in producers as younger workers move to urban areas or find other, less labor intensive, work. A large share of Italian tobacco farms are very small, averaging less than one hectare in size, while a minimal part of the total has a size of over 50 hectares, located mainly in northern Italy.

The following table shows the breakdown of Italian tobacco area by region and variety for the 2001 crop (latest available data).

ITALY: 2001 Tobacco Area by Region and Variety (1,000 Hectares)						
	Flue Cured	Light Air Cured	Dark Air Cured	Dark Fire Cured	Oriental	Total
Veneto	5.8	0.7	-	0.3	-	6.8
Tuscany	1.4	0.1	0.1	0.9	-	2.5
Umbria	8.3	-	-	0.2	-	8.5
Latium	0.4	0.4	0.2	0.2	-	1.2
Abruzzi	0.4	-	-	-	0.3	0.7
Campania	-	9.3	5.4	0.8	-	15.5
Apulia	0.2	-	0.1	-	2.7	3.0
Other Regions	0.6	0.2	-	-	-	0.8
TOTAL	17.1	10.7	5.8	2.4	3.0	39.0

Source: AGEA

As can be seen from the above table, about 40 percent of tobacco area in Italy is concentrated in the Campania region, where light air cured and dark air cured tobaccos prevail. Umbria and Veneto are the two most important producers of flue cured tobacco. Area planted to oriental tobaccos in Apulia keeps decreasing, in line with the critical market situation of these tobaccos.

PRODUCTION POLICY

Although the CAP (Common Agricultural Policy) for the tobacco sector had been substantially confirmed last year for the three year period 2002-2004, discussions are now taking place with the EU Commission, in order to arrive at a new policy, which could dramatically reduce subsidies paid to the farmers. The Italian farmer unions are pushing the Minister of Agriculture to defend the current CAP, with possibly only minor changes in favor of improving crop quality and, in general, improved protectionf for the varieties having better market prospects. The Commission in Brussels disavows any policy link between EU anti-smoking policies and production policy in the tobacco sector. Italy, as the leading EU tobacco producing country, will therefore fight against any dramatic change to the current CAP. Italian tobacco farmers are concerned about the EU accession of large producers such as Poland and Hungary, then Bulgaria, Romania, and perhaps Turkey.

In line with its program to gradually reduce aids to the tobacco sector, the EU has also recently strengthened its program for the redemption of quotas, increasing the amount of money to be paid of those growers who decide to discontinue tobacco production. These payments start at a minimum level of 100 percent of current premium for most valuable varieties, and go up to a maximum of 375 percent of the premium for Oriental tobaccos, based on the market for these tobaccos. According to preliminary estimates, some 1,000 farmers, mainly concentrated in Apulia (the leading Oriental tobacco producing region of Italy) have already submitted their application for this "redemption", and they will receive a payment of about 25,000 euros per hectare.

The following table shows the breakdown of production quotas fixed for Italy.

ITALIAN PRODUCTION QUOTAS (Metric Tons)			
	2000 and 2001	2002	2003 and 2004
Flue Cured	48,500	49,002	48,263
Light Air Cured	47,000	49,436	47,689
Dark Air Cured	17,900	16,256	15,682
Dark Fire Cured	6,965	6,255	6,255
Oriental Tobaccos	10,100	9,157	8,833
Katerini	1,500	498	498
Total Italy	131,965	130,604	127,220

As can be seen from the above table, quotas have been slightly reduced for the varieties facing the most critical market problems (especially oriental and dark air cured tobaccos), partially offset by minor increases for flue cured and light air cured tobaccos. Regarding premiums paid to the growers, last year there has been a repetition of previous levels for all varieties, except oriental tobaccos, for which a 10 percent reduction was implemented. Current premiums fixed by the EU for the 2002 through 2004 crop years are as follows:

	2002-2004
Variety	Euros/Kilo
Flue Cured	2.98062
Light Air Cured	2.38423
Dark Fire Cured	2.38423
Fire Cured	2.62199
Oriental Tobaccos	2.14581
Katerini	3.50395

[1.00 EURO=$ 1.07, at current rate of exchange]

The premiums are very generous and represent, on average, over 80 percent of the producers' income. Grower prices from the packers for the 2001 crop, paid in addition to the premiums, for Flue cured tobacco increased substantially, mainly thanks to good export demand. Prices of the other varieties, on the other hand, remained relatively low, with the exception of a rise for light air cured, due again to good export trend.

Grower Prices
(Euro/Kilogram)

	1998 crop	1999 crop	2000 crop	2001 crop
Flue cured	0.62	0.59	0.67	0.79
Light Air Cured	0.20	0.23	0.30	0.34
Dark Air Cured	0.09	0.12	0.13	0.14
Dark Fire Cured	1.31	1.53	1.77	1.77
Oriental	0.22	0.17	0.27	0.12

source: AGEA[1.00 USD=0.90 Euro in 1998, 0.94 in 1999, 1.09 in 2000, and1.12 Euro in 2001]

CONSUMPTION

Domestic tobacco leaf consumption (assumed to equal the manufactured tobacco output) dropped dramatically in 2002 to about 38,600 tons, due to continued decline in output of domestically produced cigarettes. Still growing consumers' preference for foreign brand cigarettes has forced ETI (formerly the Tobacco Monopoly) to reduce its purchases of both imported and domestic tobacco (which now cover only a marginal share of the domestic crop).

TRADE

Total Italian tobacco exports in 2002 further rose by 9 percent, thanks to expanded sales of all the major tobacco varieties. The analysis of the situation broken down by variety, however, is invalidated by the low reliability of the statistics reported by the customs offices, especially regarding the intra-EU trade. As a result, shipments of a specific tobacco are classified under one or another variety, regardless of their actual identity. In general, the most important export market in 2002 remained the EU, absorbing over half of total Italian tobacco shipments. Exports to Eastern Europe, on the other hand, totaled over 16,000 tons, thus recovering after the drops reported in the previous two years. Exports to the United States (totaling 7,100 tons) declined by about 15 percent, consequent mainly to the rising Euro value compared to the U.S. dollar. Other major importers of Italian tobacco were the northern African countries (mainly Egypt, Algeria and Tunisia), followed by some of the Latin American countries, and Japan. Prospects for the 2002 crop, to be shipped in 2003, are again favorable for most varieties, due to the generally good export demand, especially for Burley and Flue cured, although still rising Euro value remains a concern for shipments outside the EU.

In 2002, overall Italian tobacco imports rose by 33 percent in volume and 57 percent in value, reflecting large arrivals of EU tobacco to be processed in Italy and re-exported, for which official data are not available. Total imports also include the quantities of tobacco blends that are imported by ETI (generally from northern Europe) to produce foreign cigarettes under manufacturing agreement. Total imports of Flue cured increased by 29 percent from 2001, reflecting large imports from Greece and Portugal for re-exports, while imports for domestic use (from the U.S. and Brazil) declined sharply, due to ETI's decision to utilize their considerable stocks from previous years' purchases. Total imports of burley rose, too, by 29 percent from 2001, with marginal purchases from the U.S. and Malawi being more than offset, in volume terms, by increased imports of cheap tobacco from the EU (again to be re-exported).

Total imports from the United States in 2002 totaled 3,141 tons, or 28 percent larger than in 2001, but still much lower than the volumes reported in the previous years, and were valued at 23.6 million euro ($22.9 million), or 27 percent more than in the previous year. U.S. shipments of Flue cured, in particular, recovered partially after the minimal level reached in 2001, while those of Burley dropped to negligible amounts. Imports of Maryland tobacco were discontinued by ETI in 2002, while those of Dark Fire Cured remained virtually unchanged. Total imports from the U.S are expected to remain on the low side, ETI's need to at least partially rebuild their stocks of high quality tobaccos continues to be offset by the still bad situation on the domestic cigarette market.

ETI sources indicate for this year the following purchases from the United States: 1,400 tons of flue cured, 800 tons of burley and 300 tons of fire cured.

MARKETING

The privatization process of ETI (which replaced the former tobacco Monopoly) although not yet completed, seems to have reached its final step. Bidding procedures should be finalized by the end of April, when the five contenders, BAT, Altadis-Equinox, Japan Tobacco, Aurelia and Imprenditori Associati (the last two are cartels of local entrepreneurs) are supposed to submit their final offers. Such a sale, in fact, cannot be made to Philip Morris, one of the major players in the Italian market, due to anti trust legislation.

CIGARETTES

PRODUCTION

Italian cigarette production in 2002 totaled 37,989 tons, of which 22,222 tons were domestic brands and 15,767 tons were foreign brands produced by ETI under manufacturing agreements. The dramatic drop of domestic brand production reflects both the continuing decline of domestic cigarette consumption and the need to reduce the huge stocks built up by ETI in the previous years, when its production policy was not in line with the actual consumption trend. ETI sources, however, indicate a likely, although partial, recovery of domestic cigarette brand production in 2003.

According to the current agreement between ETI and Philip Morris (PM), ETI is committed to produce up to 16,000 tons of PM cigarettes per year, or about one fourth of total PM sales in Italy. The agreement (in force since September 2001) includes also a three-year distribution deal for PM brands through the ETI marketing channels in Italy. Furthermore, in view of the forthcoming ETI sale, possibly to another multinational company, the buyer will need to renegotiate with PM ETI's deal to manufacture and distribute PM brands in Italy.

CONSUMPTION

CIGARETTE SALES IN ITALY DURING 1993/2002 (1,000 metric tons)										
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Domestic Brands	40.0	38.8	37.9	35.5	33.5	32.1	31.3	30.0	27.9	26.8
Foreign Brands	45.6	50.5	52.0	53.9	55.7	58.9	64.6	70.3	74.3	75.9
Total Sales	88.6	89.3	89.9	89.4	89.2	91.0	95.9	100.3	102.2	102.7

Source: ETI

As can be seen from the table above, the long term decline in sales of domestic brands continued through 2002, when their market share dropped to only 26 percent. The market share of foreign brands is even larger than officially reported because of still significant, although declining, sales of smuggled cigarettes. The increase of total cigarette sales, on the other hand, reported in recent years , does not reflect an actual expansion of smoking, but rather an increase in legal sales due to a more severe anti-smuggling policy adopted by Italy.
PM dominates the domestic cigarette market, with a share of about 62 percent of the total, followed by ETI (as said with a share of 26 percent) , and BAT and JTI, each with 5 percent.

PRICES

Cigarette prices in Italy, fixed by law, have been increased twice in the last year, although in different periods for domestic and foreign brands. Currently, the price of the leading Italian domestic brand (MS) is fixed at 2.50 euros per pack ($2.67), while that of the most popular foreign brand (Marlboro) is 3.30 euros per pack ($3.53). On average, 74 percent of the retail price is represented by taxes, 10 percent by retailers' commissions, 15 percent by manufacturers' incomes and the remaining 1 percent wholesalers' remunerations.

TRADE

As can be seen from the trade table, in 2002 Italian cigarette imports further rose by 6 percent, following the domestic consumption trend. As usual, most imports came from northern EU countries, where American brands are produced by the leading multinational manufacturers to avoid the very high EU import duty. As a result of the WTO agreement, this duty currently is fixed at 57.6 percent. Italian exports, on the other hand, remain negligible.

SECTION II. STATISTICAL TABLES

PS&D TABLES

Tobacco, Unmfg, Total

PSD Table						
Country	Italy					
Commodity	Tobacco, Unmfg., Total				(HA)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	39204	38950	39400	37676	0	36800
Beginning Stocks	150795	150795	139073	140156	133913	133884
Farm Sales Weight Prod	130487	131761	130400	127600	0	125000
Dry Weight Production	110914	111997	110840	108460	0	106250
U.S. Leaf Imports	2453	2453	4500	3141	0	3500
Other Foreign Imports	29810	29810	30000	39898	0	36500
TOTAL Imports	32263	32263	34500	43039	0	40000
TOTAL SUPPLY	293972	295055	284413	291655	133913	280134
Exports	109524	109524	105000	119165	0	120000
Dom. Leaf Consumption	26725	26725	26700	22106	0	24500
U.S. Leaf Dom. Consum.	5650	5650	5300	3000	0	3500
Other Foreign Consump.	13000	13000	13500	13500	0	15000
TOTAL Dom. Consumption	45375	45375	45500	38606	0	43000
TOTAL Disappearance	154899	154899	150500	157771	0	163000
Ending Stocks	139073	140156	133913	133884	0	117134
TOTAL DISTRIBUTION	293972	295055	284413	291655	0	280134

Tobacco, Unmfg, Flue Cured

PSD Table						
Country	Italy					
Commodity	Tobacco, Unmfg.,Flue Cured				(HA)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	16500	17156	0	17715	0	17400
Beginning Stocks	48104	47806	44974	41794	0	42681
Farm Sales Weight Prod	49200	48878	0	50000	0	49300
Dry Weight Production	41820	41546	0	42500	0	41905
U.S. Leaf Imports	3900	749	0	1461	0	1800
Other Foreign Imports	12000	15677	0	19700	0	20200
TOTAL Imports	15900	16426	0	21161	0	22000
TOTAL SUPPLY	105824	105778	44974	105455	0	106586
Exports	28000	33984	0	36774	0	35000
Dom. Leaf Consumption	22800	20000	0	17200	0	18700
U.S. Leaf Dom. Consum.	4050	3000	0	1800	0	1800
Other Foreign Consump.	6000	7000	0	7000	0	8500
TOTAL Dom. Consumption	32850	30000	0	26000	0	29000
TOTAL Disappearance	60850	63984	0	62774	0	64000
Ending Stocks	44974	41794	0	42681	0	42586
TOTAL DISTRIBUTION	105824	105778	0	105455	0	106586

Tobacco, Unmfg, Burley

PSD Table						
Country	Italy					
Commodity	Tobacco, Unmfg., Burley				(HA)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	9300	9800	0	10400	0	10100
Beginning Stocks	45418	45512	52523	42895	0	47734
Farm Sales Weight Prod	45300	42400	0	43800	0	42100
Dry Weight Production	38505	36040	0	37230	0	35785
U.S. Leaf Imports	3000	1020	0	1170	0	1400
Other Foreign Imports	11000	10467	0	14473	0	9600
TOTAL Imports	14000	11487	0	15643	0	11000
TOTAL SUPPLY	97923	93039	52523	95768	0	94519
Exports	40000	40644	0	41034	0	43000
Dom. Leaf Consumption	1500	4500	0	2700	0	3600
U.S. Leaf Dom. Consum.	2200	2000	0	800	0	1400
Other Foreign Consump.	1700	3000	0	3500	0	4000
TOTAL Dom. Consumption	5400	9500	0	7000	0	9000
TOTAL Disappearance	45400	50144	0	48034	0	52000
Ending Stocks	52523	42895	0	47734	0	42519
TOTAL DISTRIBUTION	97923	93039	0	95768	0	94519

Tobacco, Unmfg, Oriental

PSD Table						
Country	Italy					
Commodity	Tobacco, Unmfg., Oriental				(HA)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	3500	2966	0	1916	0	1900
Beginning Stocks	22806	22666	22166	21914	0	20887
Farm Sales Weight Prod	9600	9837	0	5400	0	5400
Dry Weight Production	8160	8361	0	4590	0	4590
U.S. Leaf Imports	0	0	0	0	0	0
Other Foreign Imports	4000	3512	0	5182	0	3000
TOTAL Imports	4000	3512	0	5182	0	3000
TOTAL SUPPLY	34966	34539	22166	31686	0	28477
Exports	10000	9625	0	8299	0	10000
Dom. Leaf Consumption	0	0	0	0	0	0
U.S. Leaf Dom. Consum.	0	0	0	0	0	0
Other Foreign Consump.	2800	3000	0	2500	0	2500
TOTAL Dom. Consumption	2800	3000	0	2500	0	2500
TOTAL Disappearance	12800	12625	0	10799	0	12500
Ending Stocks	22166	21914	0	20887	0	15977
TOTAL DISTRIBUTION	34966	34539	0	31686	0	28477

Tobacco, Unmfg, Dark Air & sSun Cured

PSD Table						
Country	Italy					
Commodity	Unmfg.,Dark Air & Sun Cured				(HA)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	6000	5776	0	4611	0	4500
Beginning Stocks	24124	24003	26499	16949	0	16878
Farm Sales Weight Prod	17500	16563	0	15000	0	15000
Dry Weight Production	14875	14079	0	12750	0	12750
U.S. Leaf Imports	0	0	0	0	0	0
Other Foreign Imports	0	98	0	12	0	0
TOTAL Imports	0	98	0	12	0	0
TOTAL SUPPLY	38999	38180	26499	29711	0	29628
Exports	12000	21231	0	12833	0	15000
Dom. Leaf Consumption	500	0	0	0	0	0
U.S. Leaf Dom. Consum.	0	0	0	0	0	0
Other Foreign Consump.	0	0	0	0	0	0
TOTAL Dom. Consumption	500	0	0	0	0	0
TOTAL Disappearance	12500	21231	0	12833	0	15000
Ending Stocks	26499	16949	0	16878	0	14628
TOTAL DISTRIBUTION	38999	38180	0	29711	0	29628

Tobacco, Mfg, Cigarettes

PSD Table						
Country	Italy					
Commodity	Tobacco, Mfg., Cigarettes			(MIL PCS)		
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]	USDA Official[Old]	Post Estimate[New]
Market Year Begin		01/2001		01/2002		01/2003
Filter Production	42926	42926	44100	36689	0	40700
Non-Filter Production	1800	1800	1700	1300	0	1300
TOTAL Production	44726	44726	45800	37989	0	42000
Imports	61354	61354	62000	64793	0	65000
TOTAL SUPPLY	106080	106080	107800	102782	0	107000
Exports	433	433	500	425	0	500
Domestic Consumption	105647	105647	107300	102357	0	106500
TOTAL DISTRIBUTION	106080	106080	107800	102782	0	107000

TRADE TABLES

Table I Italy: Tobacco Leaf Exports, Quantity & Value

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
FLUE CURED	33,984	78.0	36,774	91.2
Belgium	2,176	4.8	8,271	22.7
Netherlands	1,624	5.1	1,583	4.5
Germany	6,824	17.8	3,319	9.4
U.K.	973	2.6	4,172	11.5
Greece	1,755	3.3	2,873	6.5
Switzerland	483	1.1	755	2.2
Egypt	3,090	5.6	1,492	2.9
U.S.	1,392	3.4	907	2.7
Russia	692	1.1	392	0.5
Romania	314	0.2	469	0.3
Algeria	466	0.5	400	0.7

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
LIGHT AIR CURED, BURLEY	30,644	79.0	31,034	78.3
Netherlands	2,763	7.6	4,930	9.5
Germany	9,951	28.1	6,737	20.0
France	553	1.0	630	0.9
Belgium	2,157	5.5	5,487	16.1
U.K.	764	2.0	1,006	2.7
Romania	0	0	138	0.2
U.S.	2,615	7.1	1,403	3.8
Japan	802	3.0	1,389	4.2
Algeria	1,650	3.0	400	0.8
Egypt	1,797	3.2	577	1.3
Czech Repub.	135	0.4	190	0.6

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
LIGHT AIR CURED, MARYLAND	27	0.2	185	0.2
LIGHT AIR CURED, OTHER	24	0.1	0	0

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
FIRE CURED, KENTUCKY	3,989	9.6	3,856	10.7
Netherlands	2,572	6.9	1,634	4.7
Egypt	247	0.6	720	1.4
U.S.	488	0.8	381	0.7
FIRE CURED, OTHER	0	0	0	0
SUN CURED, ORIENTAL	4,929	6.5	8,299	10.2
U.S.	0	0	13	0
Latvia	130	0.2	260	0.3
Egypt	200	0.3	29	0
Netherlands	71	0.1	786	1.0
Russia	3,021	3.5	3,934	3.9
Poland	236	0.2	498	0.5

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
DARK AIR CURED	10,747	10.6	12,833	10.7
U.S.	3,634	3.8	4,104	4.0
Egypt	2,437	2.1	2,945	2.3
Algeria	1,100	1.0	4,000	2.2
Tunisia	1,017	0.8	0	0
Mexico	297	0.5	428	0.7
OTHERS	4,696	18.7	6,440	27.4
Ivory Coast	1,387	4.6	1,261	4.7
U.S.	135	0.4	46	0.1
Russia	0	0	2,708	12.2
U.K.	1,441	8.4	718	4.0
WASTE	20,484	8.9	19,744	13.3
France	6,197	2.1	7,140	2.6
Germany	2,872	1.1	954	0.5
U.K.	379	0.2	969	0.5
U.S.	126	0.1	246	0.1
Bulgaria	647	0.3	482	0.2
Russia	4,170	1.9	2,796	1.6
TOTAL TOBACCO LEAF EXPORTS	109,524	211.6	119,165	242.0

Source: Central Institute of Statistics

TABLE II Italy: Tobacco Leaf Imports, Quantity & Value

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
FLUE CURED	16,426	48.4	21,161	68.6
U.S.	749	4.4	1,461	12.4
Brazil	1,899	7.3	1,890	6.4
Greece	4,190	3.6	6,312	5.7
Spain	1,527	2.1	567	0.9
Zimbabwe	622	2.1	907	3.6
Belgium	38	0.3	2,311	17.8
Netherlands	839	9.8	409	1.9
Portugal	2,441	3.8	3,188	4.9
LIGHT AIR CURED, BURLEY	10,537	31.1	13,552	51.3
Portugal	1,280	0.9	548	0.8
Netherlands	616	2.4	1,509	5.5
U.S.	897	8.1	777	7.0
Greece	1,280	0.9	521	0.7
Malawi	1,654	4.5	368	1.2
Brazil	206	0.7	488	1.6
Belgium	37	0.4	717	5.6
Spain	3,001	4.9	1,577	3.1
LIGHT AIR CURED, MARYLAND	353	3.0	2	0
U.S.	353	3.0	2	0

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
LIGHT AIR CURED, OTHER	128	0.5	549	2.1
FIRE CURED, KENTUCKY	345	4.6	361	3.8
U.S.	312	4.0	207	3.8
FIRE CURED, OTHER	0	0	0	0
SUN CURED, ORIENTAL	3,512	18.1	5,182	27.4
U.K.	14	0.1	146	1.0
Greece	787	4.3	814	3.9
Turkey	1,931	9.3	746	3.1
Macedonia	33	0.2	483	2.5
DARK AIR CURED	95	0.5	12	0
Algeria	85	0.5	0	0
OTHERS	45	0.2	129	0.2
Netherlands	19	0.1	0	0
WASTE	822	0.9	2,091	1.9
U.S.	123	0.2	393	0.4
Brazil	443	0.4	365	0.3
Zimbabwe	80	0.1	161	0.9
TOTAL TOBACCO LEAF IMPORTS	32,263	107.3	43,039	155.3

Source: Central Institute of Statistics

TABLE III Italy: Total Tobacco Trade, Quantity and Value by Major Country of Destination/Origin in 2002

IMPORTS	MT	MILL EURO	USD MILLION *
TOTAL	43,039	155.3	150.8
Spain	2,726	8.0	7.8
Netherlands	2,211	8.6	8.3
Greece	7,647	10.4	10.1
Portugal	3,736	5.7	5.5
Belgium	5,693	34.6	33.6
Other EU	816	2.8	2.8
Total EU	22,829	70.1	68.1
Turkey	746	3.0	2.9
U.S.	3,141	23.6	22.9
Zimbabwe	1,091	3.7	3.6
Brazil	2,751	8.3	8.1
Malawi	368	1.2	1.2
Other Countries	12,113	45.4	44.0
* [1.00 USD=1.03 Euro]			

EXPORTS	MT	MILL. EURO	USD MILLION*
TOTAL	119,165	242.0	235.0
France	8,554	5.1	5.0
Belgium	17,345	44.7	43.4
Netherlands	9,444	20.7	20.1
Germany	11,094	30.0	29.1
U.K.	6,866	18.7	18.2
Greece	5,002	11.2	10.9
Other EU	5,164	10.9	10.5
Total EU	63,469	141.3	137.2
Switzerland	2,078	6.3	6.1
Russia	10,941	19.1	18.5
Poland	1,239	1.6	1.5
Romania	1,551	1.8	1.7
Ukraine	2,481	4.7	4.6
Ivory Coast	1,261	4.7	4.6
Egypt	5,788	7.8	7.6
Algeria	4,800	3.7	3.6
Uruguay	1,512	1.7	1.7
Colombia	1,438	3.0	2.9
U.S.	7,100	11.4	11.1
Japan	2,026	6.4	6.2
Other countries	13,481	28.5	27.7
* [1.00 USD=1.03 Euro]			

TABLE IV Italy: Cigarette Foreign Trade Quantity & Value

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
IMPORTS				
Total	61,354	1,357.3	64,793	1,323.1
France	456	8.9	1	0
Netherlands	43,202	980.4	42,431	911.0
Germany	16,197	339.0	13,173	230.5
Spain	1,069	20.3	985	17.2
U.K.	233	4.5	583	9.7
Belgium	7	0.3	7,257	144.4
Source: Central Institute of Statistics				