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## Italy

### Tobacco and Products

#### Annual

#### 2004

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**Report Highlights:** 2004 Italian tobacco leaf production is expected at 120,900 tons (farm weight), or 3 percent lower than in 2003 and within Italy's quota. Export levels are expected to decline somehow from the extremely high 2003 levels, due to the poor crop quality. The EU remains Italy's major customer, while Eastern Europe accounts for about 23 percent, and the U.S. for 8 percent of exports. Total imports rose by 21 percent, reflecting large arrivals from other EU countries, to be partially processed and re-exported. Imports from the U.S. remained virtually unchanged, but are expected to drop significantly due to the continued decline of domestic brand cigarette sales.

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**SECTION I. SITUATION AND OUTLOOK****PRODUCTION****General**

Italian tobacco output in 2003 is unofficially estimated at about 122,235 tons (farm weight), or 3 percent lower than the official figure reported by AGEA (the State Market Intervention Agency) for 2002 (see table below), and slightly less than the national quota fixed for Italy by the EU (127,220 tons in 2003). 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.

Weather conditions in 2003 were characterized by a continued drought during the period May through September in most of Italy. In Veneto, where the best quality of the Italian Flue cured is produced, extensive, although costly, irrigation applications could offset the damages caused by the lack of rains. In Central and especially southern Italy, where irrigation support is less adequate, yields were lower than in the previous years. Leaf quality, on the other hand, is reported generally much poorer than in normal years.

<b>PRODUCTION TABLE</b>						
	AREA (Hectares)			PRODUCTION (Metric Tons, Farm Weight)		
	2002	2003	2004	2002	2003	2004
Flue Cured	17,879	18,445	18,500	49,220	52,380	51,800
Light Air Cured	11,280	11,221	11,100	52,442	50,695	50,600
Dark Air Cured	4,646	4,179	4,100	13,864	11,496	11,600
Fire Cured	2,192	1,945	1,900	4,810	4,985	4,400
Oriental	1,919	960	900	5,475	2,679	2,500
<b>TOTAL</b>	<b>37,916</b>	<b>36,690</b>	<b>36,500</b>	<b>125,811</b>	<b>122,235</b>	<b>120,900</b>

Note: Light air cured tobacco includes Burley and Maryland tobaccos. Sources: AGEA, ISMEA, 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 2003 by variety are not yet available. However, unofficial sources indicate a slight overall decrease (-3 percent) from the 2002 figure, as a combined result of decreased planted area to Oriental, Dark air cured and Fire cured tobaccos, and a marginal increase for Flue cured. The long term trend, however, indicates a further decrease of the tobacco area for certain varieties, in line with the new EU policy measures reducing current subsidy levels (see The Production Policy section).

The following table shows the breakdown of Italian tobacco area by region and variety for the 2002 crop (latest available data).

ITALY: 2002 Tobacco Area by Region and Variety (1,000 Hectares)						
	Flue Cured	Light Air Cured	Dark Air Cured	Dark Fire Cured	Oriental	Total
Veneto	6.4	0.6	-	0.2	-	7.2
Tuscany	1.5	0.1	-	0.9	-	2.5
Umbria	8.3	-	-	0.1	-	8.4
Latium	0.6	0.5	0.1	0.3	-	1.5
Abruzzi	0.3	-	-	-	0.1	0.4
Campania	-	9.6	4.4	0.7	-	14.7
Apulia	0.2	-	0.1	-	1.8	2.1
Other Regions	0.6	0.5	-	-	-	1.1
<b>TOTAL</b>	<b>17.9</b>	<b>11.3</b>	<b>4.6</b>	<b>2.2</b>	<b>1.9</b>	<b>37.9</b>

Source: AGEA

As can be seen from the above table, almost 40 percent of tobacco area in Italy is still 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, with a continued increase of Veneto's share. Area planted to oriental tobaccos in Apulia have now reached minimal levels, consequent to the critical market situation of these tobaccos.

## PRODUCTION POLICY

On April 21, 2004, after long discussions, a compromise agreement has been reached at the EU AgCouncil meeting. The main decisions taken there are as follows: 1) the current premium system has been postponed to include the 2005 crop; 2) during 2006 through 2009 there will be a partial decoupling of the aids (at least 40 percent), with the remaining 60 percent still coupled; 3) from 2010 onwards the decoupled share will be increased to 50 percent. This agreement has been seen as a major victory by both the Italian Minister of Agriculture and the leaders of the most important farmers' organizations, who were worried about the previous Commission proposal, claiming for major cuts to the tobacco growers' income. The likely result of this agreement will be a continuation at current levels of the tobacco area and production, at least in the medium term, with the exception of further declines for those varieties (Dark air cured and especially Oriental) which have very limited market outlets.

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

ITALIAN PRODUCTION QUOTAS (Metric Tons)			
	2000 and 2001	2002	2003, 2004 and 2005
Flue Cured	48,500	48,830	50,137
Light Air Cured	47,000	52,992	52,591
Dark Air Cured	17,900	13,652	12,990
Dark Fire Cured	6,965	5,829	5,287
Oriental Tobaccos	10,100	7,546	4,101
Katerini	1,500	443	37
Total Italy	131,965	130,292	125,143

As can be seen from the table above, quotas have been 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.

Current premiums fixed by the EU for the 2002 through 2004 (and now extended to 2005) crop years are as follows:

	2002-2005
Variety	Euros/Kilo
Flue Cured	2.98062
Light Air Cured	2.38423
Dark Air Cured	2.38423
Fire Cured	2.62199
Oriental Tobaccos	2.14581
Katerini	3.50395

[1.00 €=\$ 1.20, at current rate of exchange, and 1.00 €=\$1.121 at the 2003 rate of exchange]

The premiums are very generous and represent between 65 and 95 percent of the producers' income, according to the varieties. Grower prices from the packers for the 2002 crop, paid in addition to the premiums, for Flue cured and Light air cured tobaccos increased substantially, mainly thanks to good export demand. Prices of Dark air cured and Oriental tobaccos, on the other hand, remained extremely low.

Grower Prices (Euro/Kilogram)				
	1999 crop	2000 crop	2001 crop	2002 crop
Flue cured	0.59	0.67	0.79	0.98
Light Air Cured	0.23	0.30	0.34	0.57
Dark Air Cured	0.12	0.13	0.14	0.14
Dark Fire Cured	1.53	1.77	1.77	1.47
Oriental	0.17	0.27	0.12	0.11

source: AGEA[1.00 USD=0.94 in 1999, 1.09 in 2000, 1.12 Euro in 2001 and 1.06 Euro in 2002]

## CONSUMPTION

Domestic tobacco leaf consumption (assumed to equal the manufactured tobacco output) recovered partially in 2003 to about 41,900 tons, after the strong drop reported in the previous year, caused mainly by the continued decline in consumption of domestically produced cigarettes. The discontinuance of the manufacturing agreement between ETI, now the Italian branch of BAT, and Philip Morris, however, is supposed to cause a sharp drop of domestic cigarette output in 2004, considering that foreign brand cigarette output produced by ETI in 2003 represented about 39 percent of total production.

## TRADE

Total Italian tobacco exports in 2003 further, although slightly, rose by 1 percent in volume and 7 percent in value. As reported last year, however, the analysis of the situation broken down by variety is completely 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. Moreover, in 2003 about 30 percent of total exports were classified as "other tobaccos" or "waste", thus making the breakdown of the trade data by variety even more meaningless. In general, the most important export market in 2003 remained the EU, absorbing about 46 percent of total Italian tobacco shipments. Exports to Eastern Europe, on the other hand, totaled over 27,000 tons, with strongly expanded sales to Russia, Ukraine and Romania. Exports to the United States (totaling 10,325 tons) rose sharply by about 45 percent, due mainly to increased shipments of Dark air cured tobaccos. 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 2003 crop, to be shipped in 2004, are not particularly favorable for most varieties, due to the poor quality of the 2003 crop, joined to a weaker import demand, particularly from the northern European manufacturers.

In 2003, overall Italian tobacco imports rose by 21 percent in volume, but declined 5 percent in value, due to the strong Euro compared to the U.S. dollar. The large imports reflect huge arrivals of EU tobacco to be processed in Italy and re-exported, for which official data are not available. Total imports also included in 2003 (for the last time) the quantities of tobacco blends that were imported by ETI (generally from northern Europe) to produce foreign cigarettes under the recently expired manufacturing agreement. Total imports of Flue cured

increased by 20 percent from 2002, reflecting larger imports from Spain and Greece for re-exports, while imports for domestic use (from the U.S. and Brazil) recovered slightly after last year's drop. Total imports of Burley rose, too, by 35 percent from 2002, with marginal purchases from the U.S. and Malawi.

Total imports from the United States in 2003 totaled 3,054 tons, or virtually unchanged compared to 2002, and still much lower than the volumes reported in the previous years, and were valued at 20.0 million euro (\$22.5 million), or 15 percent less than in the previous year, reflecting the changed dollar/Euro exchange rate. U.S. shipments of Flue cured, in particular, remained practically unchanged, while those of Burley recovered slightly, after the remarkable drop reported in the previous year. Imports of U.S. Maryland tobacco were discontinued by ETI in 2002, while those of Dark Fire Cured were reported at minimal levels. Total imports from the U.S are expected to remain on the low side even in 2004, due to the continued bad situation on the domestic cigarette market.

ETI sources indicate for this year the following purchases from the United States: 700 tons of flue cured, 750 tons of Burley and 300 tons of fire cured.

## **MARKETING**

The privatization process of ETI has been finally finalized in 2003 with its acquisition from BAT, that will need a few years to reorganize the production policy in Italy, trying to gain higher market shares, after the tremendous drop reported in the recent decades.

## CIGARETTES

### Production

Italian cigarette production in 2003 totaled 40,810 tons, of which 25,316 tons were domestic brands and 15,767 tons were foreign brands produced by ETI under manufacturing agreement with Philip Morris. After the completion of ETI's privatization process, the scenario for the near future is rather unclear. Philip Morris will likely manufacture in northern Europe the volume of cigarettes previously produced in ETI's plant located in Bologna, Italy, while BAT, which is committed with the labor unions not to downsize the labor forces in the immediate future, could transfer to that plant some production lines currently located in other countries. As a matter of fact, the manufacturing agreement between ETI and PM was rescinded last January; according to this agreement, ETI was committed to produce up to 16,000 tons of PM cigarettes per year.

### Consumption

CIGARETTE SALES IN ITALY DURING 1994/2003 (1,000 metric tons)										
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Domestic Brands	38.8	37.9	35.5	33.5	32.1	31.3	30.0	27.9	26.8	25.6
Foreign Brands	50.5	52.0	53.9	55.7	58.9	64.6	70.3	74.3	75.9	77.6
Total Sales	89.3	89.9	89.4	89.2	91.0	95.9	100.3	102.2	102.7	103.2

Source: ETI

As can be seen from the table above, the long term decline in sales of domestic brands continued through 2003, when their market share dropped to only 25 percent. The market share of foreign brands is even larger than officially reported because of the sales of smuggled cigarettes, which, however, continue to decline. The latter factor is favoring an increase of total cigarette sales that does not reflect an actual expansion of smoking, but rather a rise in legal sales due to a more severe anti-smuggling policy adopted by Italy. PM still dominates the domestic cigarette market, but its share in 2003 dropped from 62 percent to 54 percent, due the new price policy adopted by BAT, which decreased the price of Pall Mall cigarettes to make them more competitive onto the Italian market. Newly appointed BAT officers with ETI believe to be able to erode PM's market share in the coming years.

### Prices

Cigarette prices in Italy, fixed by law, have been increased several times 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 2.80 euros per pack (\$3.36), while that of the most popular foreign brand (Marlboro) is 3.50 euros per pack (\$4.20). 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 2003 Italian cigarette imports dropped by 10 percent, due to both huge stocks from the previous year and the new marketing policy from PM, more cautious in view of the finalization of ETI's privatization. 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&amp;D TABLES

## Tobacco, Unmfg, Total

Commodity	Tobacco, Unmfg., Total (HA)(MT)					
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [	Estimate [DA	USDA Official [	Estimate [DA	USDA Official [	Estimate [I
Market Year Begin	01/2002		01/2003		01/2004	
Area Planted	37676	37916	36800	36690	0	36500
Beginning Stocks	140156	140156	133884	132363	117134	125779
Farm Sales Weight Prod	127600	125811	125000	122235	0	120900
Dry Weight Production	108460	106939	106250	103900	0	102765
U.S. Leaf Imports	3141	3141	3500	3054	0	2300
Other Foreign Imports	39898	39898	36500	49213	0	40000
TOTAL Imports	43039	43039	40000	52267	0	42300
TOTAL SUPPLY	291655	290134	280134	288530	117134	270844
Exports	119165	119165	120000	120882	0	110000
Dom. Leaf Consumption	22106	22106	24500	26869	0	19700
U.S. Leaf Dom. Consum.	3000	3000	3500	3000	0	2300
Other Foreign Consump.	13500	13500	15000	12000	0	8000
TOTAL Dom. Consumptic	38606	38606	43000	41869	0	30000
TOTAL Disappearance	157771	157771	163000	162751	0	140000
Ending Stocks	133884	132363	117134	125779	0	130844
TOTAL DISTRIBUTION	291655	290134	280134	288530	0	270844

## Tobacco, Unmfg, Flue Cured

Country Commodity	Italy Tobacco,Unmfg.,Flue Cured (HA)(MT)					
	2002 USDA Official	Revised Estimate [D]	2003 DA Official	Estimate [D]	2004 DA Official	Forecast Estimate [I]
Market Year Begin	01/2002		01/2003		01/2004	
Area Planted	0	17879	0	18445	0	18500
Beginning Stocks	0	41794	0	42018	0	49152
Farm Sales Weight Prod	0	48220	0	52380	0	51800
Dry Weight Production	0	41837	0	44523	0	44030
U.S. Leaf Imports	0	1461	0	1524	0	1200
Other Foreign Imports	0	19700	0	23858	0	18000
TOTAL Imports	0	21161	0	25382	0	19200
TOTAL SUPPLY	0	104792	0	111923	0	112382
Exports	0	36774	0	34771	0	31000
Dom. Leaf Consumption	0	17200	0	19500	0	14800
U.S. Leaf Dom. Consum.	0	1800	0	1500	0	1200
Other Foreign Consump.	0	7000	0	7000	0	4000
TOTAL Dom. Consumptic	0	26000	0	28000	0	20000
TOTAL Disappearance	0	62774	0	62771	0	51000
Ending Stocks	0	42018	0	49152	0	61382
TOTAL DISTRIBUTION	0	104792	0	111923	0	112382

## Tobacco, Unmfg, Burley

Commodity	Tobacco, Unmfg., Burley (HA)(MT)					
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official	Estimate	DA Official	Estimate	DA Official	Estimate
Market Year Begin	01/2002		01/2003		01/2004	
Area Planted	0	10938	0	10850	0	10800
Beginning Stocks	0	42895	0	53794	0	63610
Farm Sales Weight Prod	0	50930	0	49400	0	49300
Dry Weight Production	0	43290	0	41990	0	41905
U.S. Leaf Imports	0	1170	0	1349	0	800
Other Foreign Imports	0	14473	0	19472	0	15000
TOTAL Imports	0	15643	0	20821	0	15800
TOTAL SUPPLY	0	101828	0	116605	0	121315
Exports	0	41034	0	44995	0	41000
Dom. Leaf Consumption	0	2700	0	3000	0	2000
U.S. Leaf Dom. Consum.	0	800	0	1400	0	800
Other Foreign Consump.	0	3500	0	3600	0	2200
TOTAL Dom. Consumptic	0	7000	0	8000	0	5000
TOTAL Disappearance	0	48034	0	52995	0	46000
Ending Stocks	0	53794	0	63610	0	75315
TOTAL DISTRIBUTION	0	101828	0	116605	0	121315

## Tobacco, Unmfg, Oriental

Commodity	Tobacco, Unmfg., Oriental (HA)(MT)					
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [	Estimate [DA	Official [	Estimate [DA	Official [	Estimate [I
Market Year Begin	01/2002		01/2003		01/2004	
Area Planted	0	1919	0	960	0	900
Beginning Stocks	0	21914	0	21180	0	16400
Farm Sales Weight Prod	0	5475	0	2679	0	2500
Dry Weight Production	0	4883	0	2277	0	2125
U.S. Leaf Imports	0	0	0	0	0	0
Other Foreign Imports	0	5182	0	3055	0	3000
TOTAL Imports	0	5182	0	3055	0	3000
TOTAL SUPPLY	0	31979	0	26512	0	21525
Exports	0	8299	0	7612	0	5000
Dom. Leaf Consumption	0	0	0	0	0	0
U.S. Leaf Dom. Consum.	0	0	0	0	0	0
Other Foreign Consump.	0	2500	0	2500	0	2000
TOTAL Dom. Consumptic	0	2500	0	2500	0	2000
TOTAL Disappearance	0	10799	0	10112	0	7000
Ending Stocks	0	21180	0	16400	0	14525
TOTAL DISTRIBUTION	0	31979	0	26512	0	21525

## Tobacco, Unmfg, Dark &amp; Sun Cured

**PSD Table****Country****Italy****Commodity****Unmfg.,Dark Air & Sun Cure<sup>(HA)</sup>(MT)**

Market Year Begin	2002		2003		2004	
	Revised	Estimate	Revised	Estimate	Forecast	Estimate
	USDA Official [ Estimate [	DA Official [ Estimate [	USDA Official [ Estimate [	DA Official [ Estimate [	USDA Official [ Estimate [	DA Official [ Estimate [
	01/2002	01/2002	01/2003	01/2003	01/2004	01/2004
Area Planted	0	4646	0	4179	0	4100
Beginning Stocks	0	16949	0	15912	0	13176
Farm Sales Weight Prod	0	13864	0	11496	0	11600
Dry Weight Production	0	11784	0	9772	0	9860
U.S. Leaf Imports	0	0	0	0	0	0
Other Foreign Imports	0	12	0	524	0	0
TOTAL Imports	0	12	0	524	0	0
TOTAL SUPPLY	0	28745	0	26208	0	23036
Exports	0	12833	0	13032	0	13000
Dom. Leaf Consumption	0	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. Consumptic	0	0	0	0	0	0
TOTAL Disappearance	0	12833	0	13032	0	13000
Ending Stocks	0	15912	0	13176	0	10036
TOTAL DISTRIBUTION	0	28745	0	26208	0	23036

## Tobacco, Mfg, Cigarettes

**PSD Table****Country****Italy****Commodity****Tobacco, Mfg., Cigarettes (MIL PCS)**

Market Year Begin	2002		2003		2004	
	Revised	Estimate	Revised	Estimate	Forecast	Estimate
	USDA Official [ Estimate [	DA Official [ Estimate [	USDA Official [ Estimate [	DA Official [ Estimate [	USDA Official [ Estimate [	DA Official [ Estimate [
	01/2002	01/2002	01/2003	01/2003	01/2004	01/2004
Filter Production	36689	36689	40700	39600	0	28000
Non-Filter Production	1300	1300	1300	1210	0	1000
TOTAL Production	37989	37989	42000	40810	0	29000
Imports	64793	64793	65000	58485	0	70000
TOTAL SUPPLY	102782	102782	107000	99295	0	99000
Exports	425	425	500	259	0	200
Domestic Consumption	102357	102357	106500	99036	0	98800
TOTAL DISTRIBUTION	102782	102782	107000	99295	0	99000

## TRADE TABLES

**Table I Italy: Tobacco Leaf Exports**

Quantity &amp; Value

	2002		2003	
	MT	Mill. Euro	MT	Mill. Euro
FLUE CURED	36,774	91.2	34,771	89.8
Belgium	8,271	22.7	7,356	20.9
Netherlands	1,583	4.5	1,304	4.4
Germany	3,319	9.4	3,435	10.1
U.K.	4,172	11.5	4,541	12.7
Greece	2,873	6.5	991	2.1
Switzerland	755	2.2	571	1.9
Egypt	1,492	2.9	103	0.1
U.S.	907	2.7	871	2.4
Russia	392	0.5	668	1.0
Romania	469	0.3	422	0.5
Algeria	400	0.7	597	1.2
Austria	2,325	5.7	2,029	4.6
Ukraine	865	1.8	984	1.8

	2002		2003	
	MT	Mill. Euro	MT	Mill. Euro
LIGHT AIR CURED, BURLEY	31,034	78.3	24,995	681
Netherlands	4,930	9.5	1,771	5.8
Germany	6,737	20.0	6,568	18.7
France	630	0.9	740	1.1
Belgium	5,487	16.1	5,327	15.2
U.K.	1,006	2.7	1,417	3.8
Romania	138	0.2	357	0.5
U.S.	1,403	3.8	1,622	4.8
Japan	1,389	4.2	1,676	5.1
Algeria	400	0.8	299	0.6
Egypt	577	1.3	230	0.3
Czech Repub.	190	0.6	173	0.5
LIGHT AIR CURED, MARYLAND	185	0.2	194	0.2
LIGHT AIR CURED, OTHER	0	0	114	0.1

	2002		2003	
	MT	Mill. Euro	MT	Mill. Euro
FIRE CURED, KENTUCKY	3,856	10.7	3,722	114
Netherlands	1,634	4.7	1,381	3.8
Egypt	720	1.4	863	1.1
U.S.	381	0.7	229	0.4
FIRE CURED, OTHER	0	0	0	0
SUN CURED, ORIENTAL	8,299	10.2	7,612	5.3
U.S.	13	0	0	0
Latvia	260	0.3	108	0.1
Egypt	29	0	33	0
Netherlands	786	1.0	188	0.2
Russia	3,934	3.9	3,894	2.8
Poland	498	0.5	279	0.3

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
DARK AIR CURED	12,833	10.7	13,032	12.8
U.S.	4,104	4.0	7,274	6.5
Egypt	2,945	2.3	1,464	1.0
Algeria	4,000	2.2	1,503	2.4
Tunisia	0	0	395	0.3
Mexico	428	0.7	277	0.5
OTHERS	6,440	27.4	15,439	62.4
Ivory Coast	1,261	4.7	445	1.4
U.S.	46	0.1	112	0.1
Russia	2,708	12.2	7,288	30.9
U.K.	718	4.0	815	4.4
WASTE	19,744	13.3	21,004	9.3
France	7,140	2.6	6,275	2.2
Germany	954	0.5	1,123	0.7
U.K.	969	0.5	2,287	1.2
U.S.	246	0.1	117	0.1
Belgium	2,725	5.2	1,270	0.6
Russia	2,796	1.6	3,068	1.7
TOTAL TOBACCO LEAF EXPORTS	119,165	242.0	120,882	259.4

Source: Central Institute of Statistics

**Table II Italy: Tobacco Leaf Imports**  
Quantity & Value

	2001		2002	
	MT	Mill. Euro	MT	Mill. Euro
FLUE CURED	21,161	68.6	25,382	64.6
U.S.	1,461	12.4	1,524	10.4
Brazil	1,890	6.4	3,862	12.4
Greece	6,312	5.7	7,717	8.1
Spain	567	0.9	1,961	3.3
Zimbabwe	907	3.6	120	0.5
Belgium	2,311	17.8	2,108	12.3
Netherlands	409	1.9	222	0.7
Portugal	3,188	4.9	3,108	5.1
LIGHT AIR CURED, BURLEY	13,552	51.3	18,311	60.3
Argentina	27	0.1	640	2.1
Netherlands	1,509	5.5	768	2.4
U.S.	777	7.0	1,092	8.3
Greece	521	0.7	928	0.8
Malawi	368	1.2	1,412	4.5
Brazil	488	1.6	2,166	5.6
Belgium	717	5.6	732	5.0
Spain	1,577	3.1	1,759	1.6

LIGHT AIR CURED, MARYLAND					
	2		18	0.1	
U.S.	2	0	0	0	

	2002		2003	
	MT	Mill. Euro	MT	Mill. Euro
LIGHT AIR CURED, OTHER	549	2.1	950	3.0
FIRE CURED, KENTUCKY	361	3.8	213	1.7
U.S.	207	3.8	38	5.2
FIRE CURED, OTHER	0	0	0	0
SUN CURED, ORIENTAL	5,182	27.4	3,055	11.7
Belgium	1,217	8.2	1,202	5.9
Greece	814	3.9	547	1.8
Turkey	746	3.1	166	0.5
Macedonia	483	2.5	253	1.0
DARK AIR CURED	12	0	524	0.2
Spain	0	0	524	0.2
OTHERS	129	0.2	1,304	3.6
Zimbabwe	0	0	556	1.5
Malawi	0	0	713	1.9
WASTE	2,091	1.9	2,510	1.9
U.S.	393	0.4	257	0.2
Brazil	365	0.3	529	0.4
Zimbabwe	161	0.9	0	0
TOTAL TOBACCO LEAF IMPORTS	43,039	155.3	52,267	147.1

Source: Central Institute of Statistics

**Table III Italy: Total Tobacco Trade**

Quantity and Value by Major Country of Destination/Origin in 2003

IMPORTS	MT	MILL EURO	USD MILLION *
TOTAL	52,867	147.1	165.3
Spain	4,285	5.1	5.7
Netherlands	1,291	3.8	4.3
Greece	9,192	10.8	12.1
Portugal	3,119	5.1	5.7
Belgium	6,120	27.1	30.4
Other EU	792	2.3	2.7
Total EU	24,779	54.2	60.9
Turkey	166	0.5	0.6
U.S.	3,054	20.0	22.5
Zimbabwe	676	2.0	2.2
Brazil	6,575	18.5	20.8
Malawi	2,127	6.4	7.2
Other Countries	14,870	45.5	51.1
* [1.00 USD=0.89 Euro]			

EXPORTS	MT	MILL. EURO	USD MILLION*
TOTAL	120,882	259.4	291.5
France	8,396	5.5	6.2
Belgium	14,824	37.2	41.8
Netherlands	5,067	15.5	17.4
Germany	11,547	30.6	34.4
U.K.	9,064	22.2	24.9
Greece	2,069	3.3	3.7
Other EU	4,541	10.1	11.4
Total EU	55,508	124.4	139.8
Switzerland	950	3.0	3.4
Russia	15,133	36.7	41.2
Poland	1,158	1.8	2.0
Romania	4,584	12.0	13.5
Ukraine	6,481	13.4	15.1
Ivory Coast	445	1.4	1.6
Egypt	2,978	2.7	3.0
Algeria	2,400	4.2	4.7
Uruguay	649	0.7	0.8
Colombia	3,363	6.1	6.8
U.S.	10,325	14.3	16.1
Japan	3,459	10.2	11.5
Other countries	13,449	28.5	32.0
* [1.00 USD=0.89 Euro]			

**Table IV Italy: Cigarette Foreign Trade**  
Quantity & Value

	2002		2003	
	MT	Mill. Euro	MT	Mill. Euro
IMPORTS				
Total	64,793	1,323.1	58,485	1,210.3
France	1	0	2	0
Netherlands	42,431	911.0	31,497	737.4
Germany	13,173	230.5	14,864	226.3
Spain	985	17.2	2,034	36.7
U.K.	583	9.7	326	5.7
Belgium	7,257	144.4	6,397	145.9
EXPORTS				
Total	427	11.1	259	7.7
Source: Central Institute of Statistics				