

Tobacco Market Opportunities, Trends, Analysis and Statistics – The latest market trends and hidden opportunities in Romania

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Abstract: The paper entitled “Tobacco Market Opportunities, Trends, Analysis and Statistics – The latest market trends and hidden opportunities in Romania” addresses the following key aspects: first of all, the article is keen on providing an answer to the following question: “What is the place of the tobacco market and tobacco companies worldwide?” in order to show the importance of tobacco and tobacco related products worldwide and to stress the importance of this continuously growing market worldwide (despite its controversial nature); second of all, this paper is focused on providing an answer to the following question: “What is the evolution of the land devoted to growing tobacco and its importance for the tobacco companies worldwide?” in order to show connection that exists between the following elements: the land devoted to growing tobacco has known a continuous growth between 2000 and 2012 (and, of course, until today), due to the role played by tobacco and tobacco related products in the lives of the consumers worldwide; the tobacco companies become more and more powerful and more and more reach with each year; the lands devoted to growing tobacco are especially found in less developed countries and statistics have shown that a significant number of children are used in the tobacco industry; third of all, this work focuses itself on providing an answer to the following question: “Which are the biggest tobacco companies in the world?” in order to present the world’s tobacco industry leaders, as well as the latest trends and future predictions concerning this strong and competitive industry; and fourth of all, this research paper intends to provide an answer to the following question: “What are the latest tobacco market trends and hidden opportunities in Romania?” in order to show the latest tobacco market trends and hidden opportunities in Romania.

Key words: tobacco market, tobacco companies’ worldwide, growing tobacco, tobacco related products, enterprise value, nicotine and tar addiction, market trends, market share, product revenue, profit, brand, hidden opportunities, sustainable economic growth, waste, Romania’s situation.

JEL-classification: D40, L66, Q18, P45, I00, O00

Introduction

The paper entitled “Tobacco Market Opportunities, Trends, Analysis and Statistics – The latest market trends and hidden opportunities in Romania” focuses itself on the most recent market and marketing opportunities, trends, analysis and statistics provided by one of the most fast growing and controversial industries in history, the tobacco industry.

Although tobacco products and tobacco related products have been described in numerous occasions by different worldwide known researchers, health specialists, political and public figures, as well as health associations as being extremely dangerous and

harmful for individuals’ health (being reported that “smoking causes many kinds of cancer, heart disease and respiratory illnesses which are fatal for many sufferers”), due to the physiologically and psychologically addictive nature (and not only) of their key ingredients (among which especially nicotine, which according to the specialists can be associated more with the effects induced by “heroin and cocaine - rather than shopping, chocolate or the Internet”), the tobacco industry seems to flourish year by year, although “it never claimed any health benefits”, gaining more and more market share and brand share by attracting more and more customers (even competing, according to specialists, for market share not only at adult individuals,

but also in age groups such as teenagers (13-18 years old) and children (<13 years old)) (according to the World Health Organization (W.H.O.), 2017, "Tobacco Explained. The truth about the tobacco industry ... in its own words", <http://www.who.int/tobacco/media/en/TobaccoExplained.pdf>).

Our interest in the tobacco products and tobacco related products, as well as in the tobacco industry, comes from the numerous controversies that this subject encountered and embraced over time (for example, the ideas presented in the documentary movies: "Welcome Back, Big Tobacco", 2016, produced by the Canadian documentary series The Fifth Estate; "The Tobacco Conspiracy", a documentary where three aspects of the tobacco industry are studied: "scientific subversion", "ideological subversion" and "economic strategies"; "Secrets of The Tobacco Industry", "Smoke & Mirrors: A History of Denial", 2000; documentary, drama and bibliographical movie: "The Insider", 1999; "Thank You for Smoking", 2005; "Addiction Incorporated", 2011), but also from the economic data available through recent statistics that clearly stresses that this particular type of industry is one of the world's leaders when taking into consideration key elements, such as: sales, branding and rebranding, product design, advertising, market share and market quota, pricing, growth and development, labour opportunities in both developed and undeveloped countries over the world. This work is meant to discuss, from an economic point of view (and not from a social or health perspective), some of the most recent data, analysis and statistics concerning the tobacco industry and also to present a future perspective of this fast growing industry, which made

itself known worldwide with the aid of elements, such as: fearless competition; strong and continuously strengthening marketing techniques; well-designed products, capable to attract a wide variety of individuals, no matter of their age, gender, habits or revenue; powerful marketing and advertising strategies (the list is not limitative).

1.) What is the place of the tobacco market and tobacco companies worldwide?

The first part of the paper entitled "Tobacco Market Opportunities, Trends, Analysis and Statistics – The latest market trends and hidden opportunities in Romania" focuses itself on providing an answer to the following question: "What is the place of the tobacco market and tobacco companies worldwide?" in order to show the importance of tobacco and tobacco related products worldwide and to stress the importance of this continuously growing market worldwide (despite its controversial nature).

Tobacco, first cultivated in Mexico around in 1.000 B.C., represents the main ingredient of cigarettes, cigars, pipe tobacco, and flavoured shisha tobacco. Tobacco is being cultivated in many countries on large scale, growing in all continents of the world except Antarctica. According to recent statistics, the world is producing about 7.5 million tons of tobacco every year, which makes this particular market one of the biggest and most flourishing markets in the world, despite the on-going medical studies (with conclusive medical evidence especially after 1964) according to which tobacco use has deadly effects on consumers (Top Ten Tobacco Producing Countries in the World,

Jul 31, 2015, <http://www.perfectinsider.com/top-ten-tobacco-producing-countries-in-the-world/>; and World Health Organization (W.H.O.), 2017).

However, due to especially two highly addictive ingredients extracted from the tobacco plant, nicotine and tar, tobacco is:

- Believed to be “probably the most consumed lethal product in the world” (Article: “The Top 5 Countries that Produce the Most Tobacco”, the data available online at the following link: <http://www.countryranker.com/the-top-5-countries-that-produce-the-most-tobacco/>);
- Being even referred to as “the most dangerous drug in the world” (Richard Rudgley, “The Encyclopedia of Psychoactive Substances”, Little, Brown and Company (1998), <https://www.biopsychiatry.com/tobacco/>);
- Considered “deadly in any form or disguise” (World Health Organization (W.H.O.), 2006).

In addition, according to the American Heart Association, although individuals

know that tobacco is harmful for the body, lots of people continue smoking. Among the most encountered reasons for people continuing smoking, there can be found the following ones (American Heart Association, 2017):

- The nicotine addiction proves to be extremely hard to handle, because once the cigarette’s effect goes away, the individual craves for a new one. Nicotine acts as a drug to the brain, inducing a feeling of relaxation, being even responsible for elevating the heart rate or a person’s mood.
- The way to handle stress or anxiousness by using other methods is extremely challenging. Smoking is regarded as being a fast and easy relief.

The details concerning the place of the tobacco market and tobacco companies worldwide are presented below (see, in this matter, Table no. 1: “The world’s 10 largest food, soap, and cleaning product companies – in terms of market capital and revenue in 2013”).

Table no. 1: “The world’s 10 largest food, soap, and cleaning product companies – in terms of market capital and revenue in 2013”

Position	Company	Description	Total market capital	Total revenue
1.	Nestlé	Swiss multinational food and beverage company created in 1905; Produces several types of baby food, breakfast cereals, bottled water, dairy products, ice creams, coffee, snacks and pet food; The most widely distributed products by this company are Nescafe, Nestea, Kit Kat, and Maggi; Has over 450 factories operating in 86 different companies.	\$233.52 billion	\$100.64 billion

2.	Procter & Gamble	American multinational consumer goods company;	\$208.53 billion	\$83.32 billion
		Headquartered in downtown Cincinnati, Ohio;		
		Manufactures several products in two main categories: cleaning and personal care products;		
		Its products are marketed to around 180 countries worldwide;		
		Ranked 15th on the list of World's Most Admired Companies.		
3.	Coca - Cola	American multinational beverage corporation and manufacturer, as well as the retailer and marketer of non-alcoholic beverages, founded in 1886;	\$173.05 billion	\$48.02 billion
		Headquartered in Atlanta, Georgia;		
		Offers more than 500 products, available in virtually every country in the world.		
4.	Anheuser - Busch InBev	Belgian - Brazilian multinational brewing and beverage company;	\$153.48 billion	\$39.76 billion
		Headquartered in Leuven, Belgium;		
		The largest brewing company in the world;		
		Produces, markets, distributes, and sells around 200 different brands of beer, including popular labels like Budweiser, Corona, and Brahma, as well as smaller brands like Alexander Keith's, Hoegaarden, and regional brands like Jupiler, Cass, and Skol;		
		Has about a 25% share of the global market.		

5.	Philip Morris International	American global cigarette and tobacco company, founded in 1900;	\$150.56 billion	\$31.38 billion
		Headquartered in New York City, New York;		
		Based on the production of tobacco and addictive products;		
		Its popular brands include Dj Sam Soe 234, Marathon, Marlboro, U Mild, Lark, Merit, and Escort.		
6.	Unilever NV	Anglo - Dutch multinational consumer goods company, founded in 1929;	\$122.32 billion	\$67.71 billion
		One of the oldest multi-national companies in the world;		
		Has been marketing its products in around 190 countries worldwide;		
		Has over 400 brands, including Axe / Lynx, Dove, Hartbrand Ice, Becel / Flora, Sunsilk, and Lipton, the company operates in four different divisions of food, refreshment, home care and personal care.		
7.	PepsiCo	American multinational food and beverage manufacturing company, founded in 1965;	\$118.86 billion	\$65.49 billion
		Headquartered in Purchase, New York;		
		Involved in the manufacturing, marketing, and distribution of several beverages, grain-based snack foods, dairy products, carbonated and non-carbonated drinks, and other food products;		
		Was the first company to stamp expiration dates on its manufactured products, starting in March 1994.		

8.	British American Tobacco	<p>British multinational tobacco company, founded in 1902;</p> <p>Headquartered in London, England;</p> <p>The second-largest tobacco company by sales, just after Philip Morris International;</p> <p>A leader in over 50 countries, while its operations are run in over 180 countries;</p> <p>Its most popular brands include Dunhill, Kent, and Lucky Strike.</p>	\$101.99 billion	\$24.08 billion
9.	Reckitt Benckiser Group	<p>Anglo-Dutch multinational consumer goods company, founded in 1999;</p> <p>Headquartered in Slough, Berkshire;</p> <p>A major producer of health, hygiene, and home products;</p> <p>Best-selling brands like Dettol, Strepsils, Veet, Air Wick, Calgon, Vanish, and Durex;</p> <p>Operates in around 60 countries.</p>	\$51.17 billion	\$15.56 billion
10.	General Mills	<p>Manufacturer and marketer of branded consumer foods. Its products include cereals, snacks, pizza, ice-cream, baking mixes, and vegetables, which are sold through retail stores;</p> <p>Founded in 1886;</p> <p>Headquartered in Golden Valley, Minnesota;</p> <p>Top-selling brands, like Betty Crocker, Green Giant, Pillsbury, and Lucky Charms;</p> <p>Operates in three segments: US retail, International, and Bakeries and food service;</p> <p>Delivers its products to 15 countries and carries out its business ventures in 100 different countries.</p>	\$29.9 billion	\$17.43 billion

Source: The Authors' adaptation after the data available in the Article "The World's 10 Largest Food, Soap, And Cleaning Product Companies" published on 27.01.2014, the data available online at the following link: <http://www.therichest.com/business/companies-business/the-worlds-10-largest-food-soap-and-cleaning-product-companies/>, accessed on the 10th of April 2017.

According to the aspects presented above, Philip Morris International (an American global cigarette and tobacco company) occupies the fifth position in the world's ten largest food, soap, and cleaning product companies in terms of market capital and revenue in 2013, and British American Tobacco (a British multinational tobacco company) occupies the eight position in the same top. As from 31 March 2016 the market value of Philip Morris International is approximately \$152 billion (see, in this matter, <http://beta.fortune.com/fortune500/philip-morris-international-106> and <https://www.forbes.com/companies/philip-morris-international/>), while as from May 2016 the market value of British American Tobacco is \$111 billion (see, in this matter, <https://www.forbes.com/companies/british-american-tobacco/>)

Moreover, according to the data available from 2013, tobacco is one of the most profitable products in America, positioning itself on the second place when analysing elements such as the products' operating margin, revenue and market share, after the iPhone from Apple and immediately followed by Monster (caffeine based soft drink), Jack Daniels Tennessee Whiskey, Coca-Cola, Enfamil (one of the best-selling infant formula brands in the world) and Harley-Davidson Motorcycles (Harley-Davidson being among the world's 100 most valuable brands, according to Interbrand's 2013 report) (see, in this matter, Table no. 2: "America's Most Profitable Products").

Table no. 2: "America's Most Profitable Products"

Position	Product	Operating margin	Product revenue	Market share	Industry	Details
1.	iPhone	41%	\$91.3 billion	45.0%	Computer hardware	Apple the world's most valuable brand in 2013.
2.	Marlboro	32%	\$18.7 billion	40.3%	Tobacco	Marlboro dominates U.S.A. tobacco markets, controlling more than two - fifths of the tobacco market in America.
3.	Monster	26%	\$2.1 billion	34.6%	Soft drinks	One can of Monster has roughly five times the caffeine found in a can of Coke; Monster Beverage Corporation's revenue has steadily increased in recent years and sales rose more than 9% in 2013.

4.	Jack Daniels Tennessee Whiskey	25%	\$2.0 billion	2.4% (U.S.; largest American whiskey)	Alcohol	Jack Daniels is the top-selling American whiskey, and one of the largest spirits brands, in the world, being Brown-Forman Corporations' principal product, and its biggest driver of growth.
5.	Coca-Cola	24%	\$13.7 billion	42.4%	Soft drinks	The company controlled 36% of the U.S.A. market in 1977, and 42% in 2013; Coca-Cola distributes more than 500 different beverage brands around the globe.

Source: The Authors' adaptation after the data available in the Article "America's Most Profitable Products" published by Thomas C. Frohlich and Alexander E.M. Hess on June 6, 2014, the data available online at the following link: <http://247wallst.com/special-report/2014/06/06/americas-most-profitable-products-2/3/>, accessed on the 10th of April 2017.

2.) What is the evolution of the land devoted to growing tobacco and its importance for the tobacco companies worldwide?

The second part of the paper entitled "Tobacco Market Opportunities, Trends, Analysis and Statistics – The latest market trends and hidden opportunities in Romania" focuses itself on providing an answer to the following question: "What is the evolution of the land devoted to growing tobacco and its importance for the tobacco companies worldwide?" in order to show connection that exists between the following

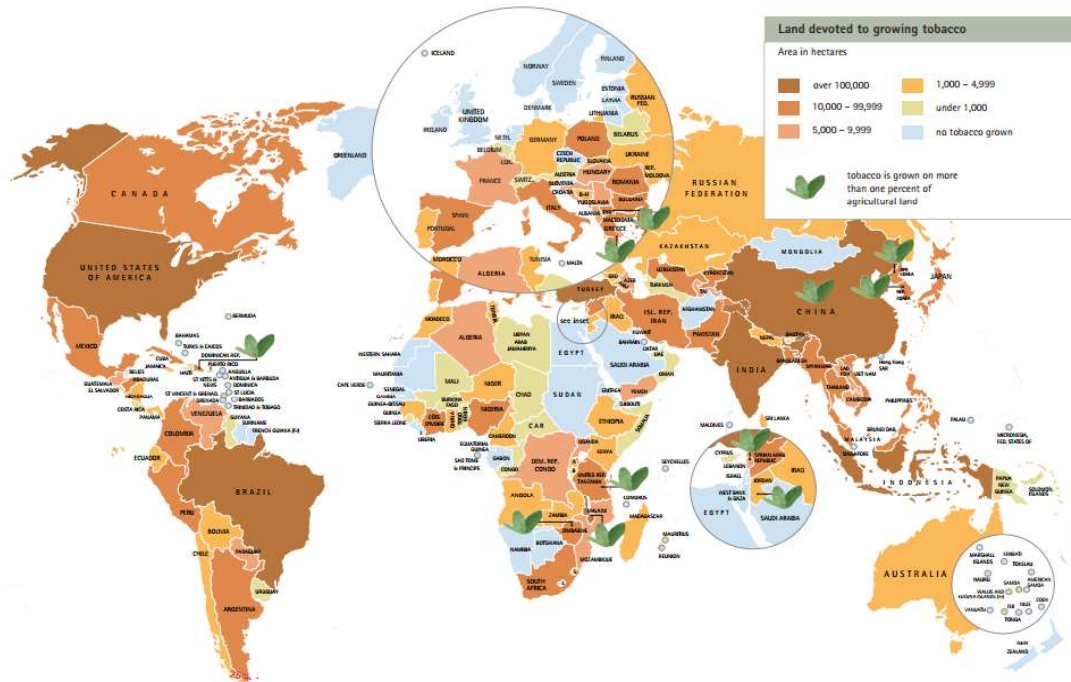
elements: the land devoted to growing tobacco has known a continuous growth between 2000 and 2012 (and, of course, until today), due to the role played by tobacco and tobacco related products in the lives of the consumers worldwide; the tobacco companies become more and more powerful and more and more reach with each year; the lands devoted to growing tobacco are especially found in less developed countries and statistics have shown that a significant number of children are used in the tobacco industry (see, in this matter, <http://www.bbc.com/news/business>).

In the lines below the evolution of the land devoted to growing tobacco is presented, taking into consideration two sets of data:

the ones obtained from the time period 2000 and 2001 and the most recent ones from 2012, in order to show its importance for the tobacco companies worldwide (see, in this matter,

Figure no. 1: “Land devoted to growing tobacco (2000 – 2001)” and Figure no. 2: “Land devoted to growing tobacco – 2012”).

Figure no. 1: “Land devoted to growing tobacco (2000 – 2001)”



Source: 2017 World Health Organization (W.H.O.), “Land devoted to growing tobacco”, with data available from 2000 and 2001, a time period when the world’s five leading producers of tobacco leaves were China, India, Brazil, U.S.A. and Turkey (as shown from the available figures in thousands of metric tons in 2001), <http://www.who.int/tobacco/en/atlas16.pdf>, accessed on the 10th of April 2017.

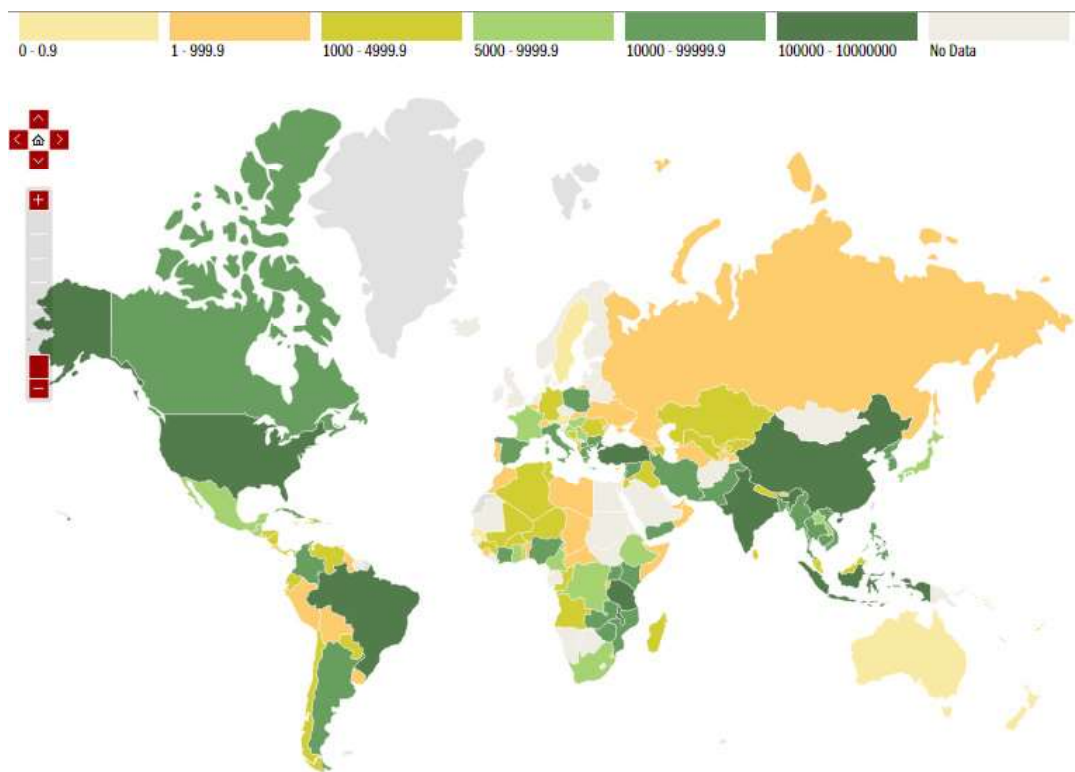
The map’s legend: Production by country: area in hectares, 2000 – 2001.

It can be noted that the land devoted to growing tobacco has encountered a continuous growth rate during the time period 2000 – 2012, and the latest data have shown the following key elements (IBISWorld, 2016) (see, in this matter, Figure no. 2: “Land devoted to growing tobacco – 2012”):

- Tobacco is grown in over 125 countries around the world.
- Tobacco is grown on less than 1.0% of the world’s agricultural land.
- Tobacco is grown on over 4.0 million hectares of land, and a quarter of them are in China.

- The global tobacco crop is worth approximately \$20.0 billion.
- Since the 1960's, the tobacco production has moved from America to Africa and Asia.
- The land on which tobacco is growing has been halved over the years in the U.S.A., Canada and Mexico, but has almost doubled in China, Malawi and Tanzania.
- According to the most recent statistics (the data available from 2016), tobacco leaf production in China was in total 3.0 million tons.

Figure no. 2: "Land devoted to growing tobacco – 2012"



Source: 2015 Tobacco Atlas, <http://www.tobaccoatlas.org/topic/growing-tobacco/>, accessed on the 10th of April 2017.

The map's legend: Production by country: area in hectares, 2012.

According to the data presented in Table no. 3: “The world’s top five tobacco producing countries (Tobacco, unmanufactured)” and according to the elements emphasised in Figure no. 3: “Leading tobacco producing countries worldwide in 2015 (in 1,000 metric tons)”, today the world’s top

tobacco producers are China, followed by Brazil and India and the countries with the highest level of cigarettes consumed are China, Russia, U.S.A., Indonesia and Japan (Eriksen M, Mackay J, Ross H., <https://top5ofanything.com/list/d9bc4475/Countries-That-Consume-the-Most-Cigarettes>).

Table no. 3: “The world’s top five tobacco producing countries (Tobacco, unmanufactured)”

Position	Country	Tobacco Production Quantity (metric tonnes; m/t)				% of World Total in 2013
		2011	2013	2014	2015	
1.	China	3,157,000	3,148,547	2,997,050	3,400,000	42.3%
2.	Brazil	951,933	850,673	862,396	875,000	11.4%
3.	India	830,000	830,000	720,725	810,550	11.1%
4.	U.S.A.	271,363	345,837	397,535	345,837	4.6%
5.	Indonesia (the 5th in 2013, 2014 & 2015)	130,300	260,200	196,300	226,700	3.4%
	Malawi (the 5th in 2011; the 6th in 2015)	174,928			151,150	

Source: The Authors’ adaptation after the data available online at the following links: <https://www.statista.com/topics/1593/tobacco/>; <https://www.statista.com/statistics/261173/leading-countries-in-tobacco-production/>; <http://www.countryranker.com/the-top-5-countries-that-produce-the-most-tobacco/>; <http://www.mapsofworld.com/world-top-ten/tobacco-producing-countries.html>; <https://www.torchcigarbar.com/the-biggest-tobacco-producers-in-the-world/>; <http://www.worldlistmania.com/largest-tobacco-producing-countries-in-the-world/>; www.fao.org/faostat/en/; <https://top5ofanything.com/list/Tobacco-Producing-Countries>; <http://www.perfectinsider.com/top-ten-tobacco-producing-countries-in-the-world/> (for the latest data available for 2015); and The Jakarta Post, Hans Nicholas Jong, “Indonesia on track to world’s highest smoking rates”, Jakarta, Wed, June 1, 2016, the data available online at the following link: <http://www.thejakartapost.com/news/2016/06/01/indonesia-on-track-to-worlds-highest-smoking-rates.html>, accessed on the 10th of April 2017.

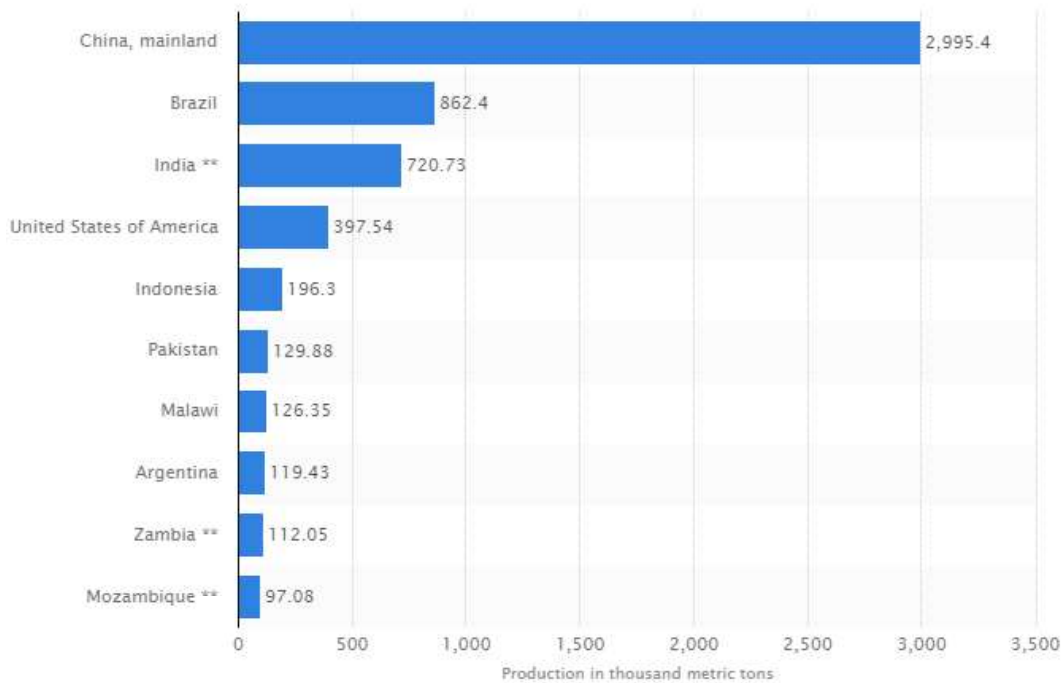
In the lines below a few concluding remarks were presented after the data analysis of the elements reflected in Table no. 3: “The world’s top five tobacco producing countries (Tobacco, unmanufactured)”:

1.) The world’s top five tobacco producing countries are today China, Brazil, India, U.S.A. and Indonesia (according to all the bibliographical references presented in the source of the table above). In 2011, Malawi occupied the fifth position, while starting from 2013 until present the fifth position belongs to Indonesia. In 2013, Zimbabwe (150,000 m/t) occupied the sixth position of the chart, followed by Malawi (132,849 m/t), Argentina (115,334 m/t), Pakistan (108,307 m/t) and Turkey (90,000 m/t). In 2015 Malawi occupied the sixth position, followed

by Argentina (148,000 m/t), Tanzania (120,000 m/t), Zimbabwe (115,000 m/t) and Pakistan (102,834 m/t), in terms of production in tonnes.

2.) According to specialists (The Jakarta Post, 2016), Indonesia is believed to become the country with the world’s highest smoking rates (cigarette consumption) in the next decade. In June 2016 Indonesia was placed on the fourth position, after China, Russia and U.S.A., on the list of countries with the most smokers, but is currently planning to double its tobacco production (to 524.2 billion cigarettes per year by 2020), while other countries are enforcing tough tobacco controls. In addition, according to recent statistics, Indonesia the world’s highest smoking prevalence among males, as 67.4% of males over 15 years old smoke.

Figure no. 3: “Leading tobacco producing countries worldwide in 2015 (in 1,000 metric tons)”



Source: Data available at the section “Leading tobacco producing countries worldwide in 2015 (in 1,000 metric tons)”, the data available online at the following link: <https://www.statista.com/statistics/261173/leading-countries-in-tobacco-production/>, accessed on the 10th of April 2017.

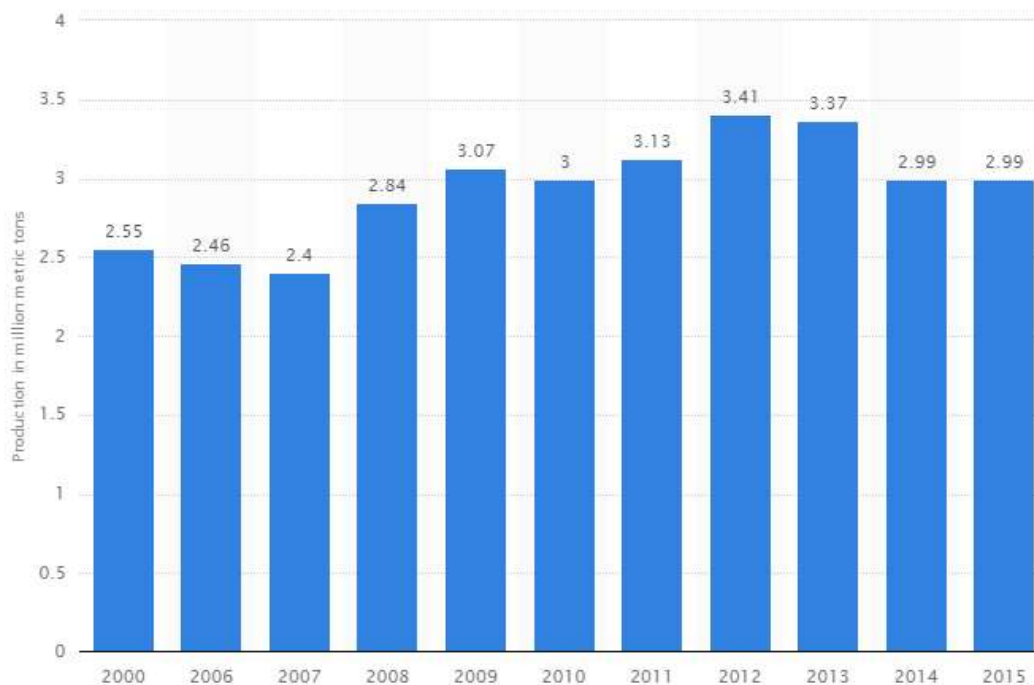
The figure’s legend: Production in thousand metric tons. This statistic shows the worldwide tobacco production in 2014, by country.

The Tobacco production in China from 2000 to 2015 (in million metric tons) can be regarded in a positive manner, due to its growing rate (see, in this matter, Figure no. 4: "Tobacco production in China from 2000 to 2015 (in million metric tons)").

In this figure it can be noted that in 2009 China's tobacco production amounted to 3.07

million metric tons, in 2010 decreasing to 3.00 million metric tons, and in the time period 2011 and 2012 China's tobacco production amounted to 3.13 million metric tons and respectively 3.41 million metric tons, decreasing once again in 2013 to 3.37 million metric tons, and registering the same value in 2014 and 2015, respectively 2.99 million metric tons.

Figure no. 4: "Tobacco production in China from 2000 to 2015 (in million metric tons)"



Source: Data available at the section "Tobacco production in China from 2000 to 2015 (in million metric tons)", the data available online at the following link: <https://www.statista.com/statistics/261173/leading-countries-in-tobacco-production/>, accessed on the 10th of April 2017.

The figure's legend: Production in million metric tons. The statistic shows the tobacco production in China from 2000 to 2015.

3.) Which are the biggest tobacco companies in the world?

The third part of the paper entitled "Tobacco Market Opportunities, Trends,

Analysis and Statistics – The latest market trends and hidden opportunities in Romania" focuses itself on providing an answer to the following question: "Which are the biggest tobacco companies in the world?" in order to present

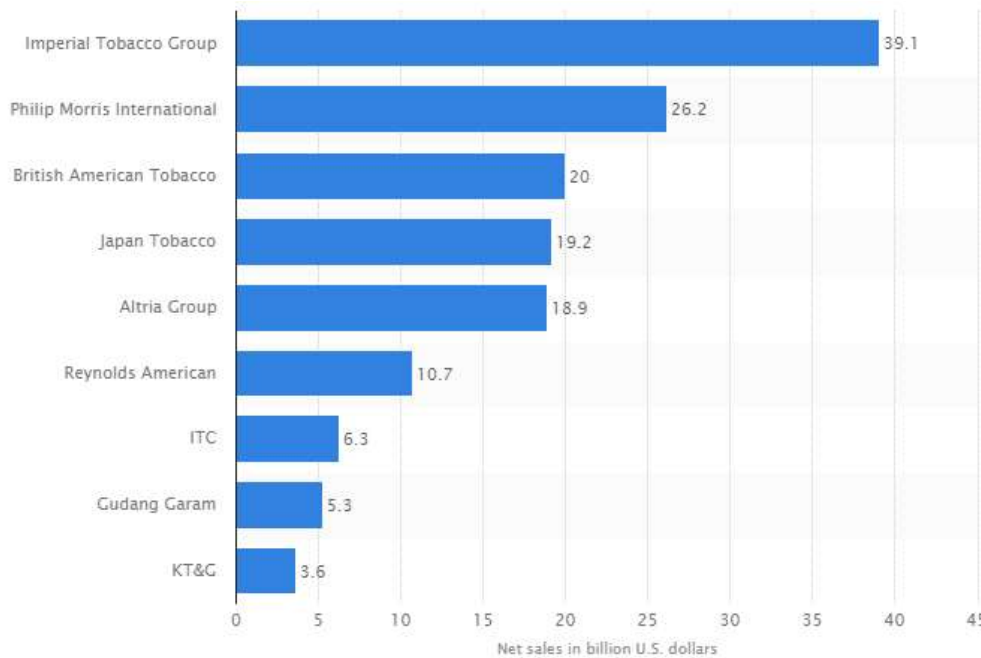
the world’s tobacco industry leaders, as well as the latest trends and future predictions concerning this strong and competitive industry.

The figure below presents the top ten biggest tobacco companies worldwide in 2016, based on net sales (in billion U.S. dollars) (see, in this matter, Figure no. 5: “Largest tobacco companies worldwide in 2016, based on net sales (in billion U.S. dollars)”), which positions the Imperial Tobacco Group at the top of this rank, with 39.1 billion U.S. dollars, followed by Philip Morris International Inc., with 26.2 billion U.S. dollars and British American Tobacco, with 26.2 billion U.S. dollars. Reynolds American occupies the sixth position in this ranking, with 10.7 billion U.S. dollars.

Imperial Tobacco Group describes its business as “an international fast-moving consumer

goods company”, which takes pride in focusing on maximizing the market’s opportunities and is keen on providing sustainable returns to the shareholders (Imperial Tobacco Group PLC, 2015). This company’s strategy aims to “maximize sales”, “more effectively manage the working capital”, strengthen its portfolio of products and develop worldwide at a fast pace, taking into consideration the “cost optimisation” and the “capital discipline”, while in the meantime also supporting growth by having a “strong governance”, “acting responsibly”, “managing risk” and “rewarding success” (Imperial Tobacco Group PLC, 2015). Imperial Tobacco Group presents itself as a company “committed to growing at least 10% a year over the medium term” (Imperial Tobacco Group PLC, 2015).

Figure no. 5: “Largest tobacco companies worldwide in 2016, based on net sales (in billion U.S. dollars)”



Source: Data available at the section “Largest tobacco companies worldwide in 2016, based on net sales (in billion U.S. dollars)”, the data available online at the following link: <https://www.statista.com/statistics/259204/leading-10-tobacco-companies-worldwide-based-on-net-sales/>, accessed on the 10th of April 2017.

The figure’s legend: The companies’ ranking is done according to the net sales in billion U.S. dollars.

As shown in the table below (see, in this matter, Table no. 4: "The six largest tobacco companies worldwide ranked by enterprise value (in billion U.S. dollars) in 2016"), at the beginning of 2017 the "rules of the game" have changed due to the fact that British American

Tobacco and Reynolds American have united their forces, which placed British American Tobacco at the middle of January 2017 on the first position of the top of the largest tobacco companies worldwide according to the enterprise value (in billion U.S. dollars).

Table no. 4: "The six largest tobacco companies worldwide ranked by enterprise value (in billion U.S. dollars) in 2016"

The biggest tobacco companies in the world		
Position	Company	Company's value in 2016
1.	Philip Morris International Inc.	\$175 billion
2.	Altria Group Inc.	\$139 billion
3.	British American Tobacco	\$129 billion
4.	Reynolds American	\$89 billion
5.	Tokyo-listed Japan Tobacco Inc. (TYO: 2914)	\$68 billion
6.	London-listed Imperial Brands PLC (LON: IMB)	\$61 billion

At the beginning of 2017, British American Tobacco becomes the biggest tobacco companies in the world. At the middle of January 2017, British American Tobacco acquired the remaining 57.8% stake of Reynolds American Inc., which the company did not already own. British American Tobacco new goals are the following ones: becoming more innovative and more focused on brand building, becoming more focused on the next generation products.

Source: Data available at the section "Major Tobacco Firms by Enterprise Value" by Dyfed Loesche, January 18, 2017, 2017 Benzinga.com, the data available online at the following link: https://www.statista.com/chart/7637/major-tobacco-firms-by-enterprise-value/?utm_source=Infographic+Newsletter&utm_campaign=17613e3816-InfographicTicker_EN_Early_00004&utm_medium=email&utm_term=0_666fe64c5d-17613e3816-295518549, accessed on the 10th of April 2017 and at the section "The Biggest Big Tobacco Companies" by Jayson Derrick, Benzinga Staff Writer, January 18, 2017, the data available online at the following link: <https://www.benzinga.com/news/17/01/8917180/the-biggest-big-tobacco-companies>, accessed on the 10th of April 2017.

The figure's legend: The companies' face value is in billion U.S. dollars. Since November 2016, the companies' face value is value of common stock + market value of preferred equity + market value of debt + minority interest – cash and investments.

4.) What are the latest tobacco market trends and hidden opportunities in Romania?

The fourth part of the paper entitled "Tobacco Market Opportunities, Trends, Analysis and Statistics – The latest market trends and hidden opportunities in Romania" focuses itself on providing an answer to the following question: "What are the latest tobacco market trends and hidden opportunities in Romania?" in order to show the latest tobacco market trends and hidden opportunities in Romania.

In the European Union the tobacco manufacturing is increasingly concentrated and dominated by four large multinational companies (according to the data provided by the Council of the European Union. European Commission, 2012): British American Tobacco (B.A.T.), Imperial Tobacco (I.T.), Japan Tobacco (J.T.), and Phillip Morris International (P.M.) (which are referred as "Big Four") shared 91.41% of the European Union cigarettes market, up from 59.4% in 2000. Moreover, taking into consideration the data referring to the

trade flows between tobacco-growing, tobacco-producing and tobacco-consuming countries (according to the data provided by the Council of the European Union. European Commission, 2012), Romania positions itself on the third place among the main cigarette manufacturing countries, together with Germany (the first position in this top), Poland (the second position in this top), Hungary, Greece, Lithuania, Netherlands, Portugal, Czech Republic, and Italy. Furthermore, specialists believe that for Romania 2016 was the year of new challenges, especially due to the impact of new prohibitions concerning the ban of cigarette consumption in public places, which will implicate a shift in alternative solutions (Adrian Negrescu, 2016)

Conclusions:

The paper entitled "Tobacco Market Opportunities, Trends, Analysis and Statistics – The latest market trends and hidden opportunities in Romania" stresses the importance and the role of the industrial tobacco market worldwide from an economic perspective.

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