International commodity trade in tobacco is big business, with an estimated annual value of $62 billion: $7 billion in raw material (tobacco leaves) and $55 billion in finished product (manufactured cigarettes). China grows more than 40 percent of the world’s tobacco, but only 1 percent of China’s leaf is exported. Most of the remaining 99 percent is consumed domestically by China’s 350 million smokers. Brazil, India, and China grow most of the world’s tobacco leaf, overtaking former major producers such as the United States, where tobacco agriculture has been in steady decline for decades.

U.S. cigarette export volume has declined by more than 50 percent since 1996, valued at US$1.2 billion in 2006 (largely in sales to Japan). The Netherlands and Germany each export more than 10 billion cigarettes annually. Many less- and middle-income countries, such as China, Malaysia, Poland, and Indonesia, are increasing capacity for cigarette production and export, competing aggressively with the major cigarette exporting nations.

To maximize profits, transnational tobacco companies seek markets with lower costs for tobacco agriculture and cigarette manufacturing; extending the tentacles of their deadly industry ever deeper into the world’s nascent economies. Threatening the tobacco industry’s exploitation of emerging markets is a global health imperative.

**CHAPTER 15**

**TOBACCO TRADE**

“The dramatic increase in the proportion of the world’s cigarette markets now open to free enterprise makes exciting times I have spent in the tobacco industry in the last forty years.”

—Patrick Shenky, chairman, BAT Industries, October 1990, referring to changes in the former Soviet Union.