

Process in action

Trends and strategy in the cigarette industry

Update

The tobacco industry is no longer growing at the steady rate of the years prior to 1990. World cigarette demand was virtually flat in the 1990s. Demand is weak in the established markets of the OECD area. On the whole, world demand and world production develop more or less in parallel. China plays a key role in the world tobacco industry. The country accounts for over 30 per cent of world consumption and production of cigarettes. Suppliers have felt obliged to rationalise production and raise productivity in an effort to maintain profitability.