



COMESA / SADC / SACU TOBACCO VALUE CHAIN

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Commissioned by the Tobacco Institute of Southern Africa (TISA), this study measures mainly the primary elements of the tobacco value chain in 15 African countries. The tobacco industry is hourglass-shaped in its structure: tobacco leaf is funneled from thousands of farms through a handful of leaf merchants, processors and manufacturing plants that make cigarettes and other products, and sold via thousands of wholesale and retail establishments. Whilst the study **concentrates mainly on the primary elements of the tobacco value chain**, clearly the tobacco industry has wide-ranging elements throughout the economies analysed – linking not only farms and manufacturers, but also wholesale and retail stores. Beyond the farm gate, value is added to tobacco leaf by combining it with other inputs and using labour and capital to process, store, market and transport it.

Businesses in other industries that supply intermediate goods, inputs, and services also reliant upon tobacco have not been taken into consideration. These include companies from diverse sectors such as warehousing, paper manufacturing, metal products and machinery producers, banking, transportation, insurance and legal services. **The study also excludes in totality the value of tobacco products sold to consumers, the value and equity of brands, and the market capitalisation of companies. All taxes, apart from excise duties and VAT/GST generated within the value chain, are also excluded. If these values were added to the figures conveyed in the study, the total value of tobacco would increase significantly.**

The results from this study are useful to a variety of stakeholders; for investment and policy planning; tax revenue collecting; regulation and administration; governments; industry analysts; researchers and academics; contributors and suppliers to the industry; public sector companies supplying utilities; non-governmental organisations (NGOs); and labour unions, amongst others.

Out of the 27 economies comprising the Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC), and Southern African Customs Union (SACU) groupings, this study focuses on the following 15 countries (in alphabetical order): **Angola, Botswana, Egypt, Ethiopia, Kenya, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.**

This sample covers the overwhelming majority of tobacco-related activities in the three regions: mainly the primary elements of the sector, with some reference to processing, manufacturing and retail: they represent 98% of leaf production recorded during 2008-10, 98% of tobacco and related product exports and 87% of tobacco and related product imports by value during the same period, as well as 90% of economic activity recorded during 2011. An estimated 97% of tobacco manufacturing facilities in the region are also located in these 15 geographies. The key findings of the research are summarised in the following table:

Tobacco Value Chain Regional Summary (2011)					
		COMESA	SADC	SACU	15-Country Total
Farming	<i>Number of Farmers</i>	951,600	1,066,287	177	1,179,787
	<i>Employment</i>	3,209,100	3,661,914	9,904	3,885,414
	<i>Number of Dependants</i>	13,898,203	16,959,332	40,000	17,840,375
	<i>Hectares planted</i>	338,490	447,641	5,353	485,531
	<i>Tonnes tobacco produced</i>	575,466	616,494	15,000	665,566
	<i>Value of Production (\$m)</i>	875	1,195	60	1,290
Processing (Manufacturing & GLTs)	<i>Number of Enterprises</i>	51	30	8	66
	<i>Employment</i>	37,109	32,491	3,831	53,067
	<i>Number of Dependants</i>	158,520	142,582	3,800	232,570
Selling (Wholesale & Retail)	<i>Number of Enterprises</i>	143,572	194,095	122,316	296,890
	<i>Employment</i>	202,971	331,321	181,780	428,065
	<i>Number of Dependants</i>	1,011,338	1,052,222	629,044	1,664,686
International Trade	<i>Total Imports (\$m)</i>	622	419	317	959
	<i>Total Exports (\$m)</i>	1,493	1,789	200	2,157
Total Taxes Paid (\$m)		3,788	2,313	1,570	5,614
TOTAL FORMAL & INFORMAL EMPLOYMENT		3,449,180	4,025,726	195,515	4,366,546
TOTAL POPULATION RELIANT ON TOBACCO*		18,517,241	22,179,862	868,359	24,104,176
TOBACCO VALUE CHAIN TOTAL VALUE (\$m)**		6,777	5,716	2,146	10,020
<i>Note: The numbers in this table may refer to minimum values, where the absence of some countries' data inhibits the calculation of more comprehensive data.</i>					
<i>* Total formal & informal employment; dependants</i>					
<i>** Value of tobacco production; total exports; total imports; taxes paid</i>					

COMESA highlights

- More than 18.51 million people are reliant on the tobacco sector for employment or household income.
- Tax revenues generated by the tobacco value chain were valued at \$3.79bn during 2011.
- Exports of tobacco and related products totaled \$1.49bn in 2011 compared to imports of only \$622m.

SADC highlights

- Farm production on 447,641 hectares employs 3.66 million people with 16.95 million dependants.
- Formal and informal retailing employs 331,321 people with more than one million dependants.
- Total taxes generated by the tobacco value chain totaled \$2.31bn during 2011.

SACU highlights

- Wholesale and retail enterprises employ 181,780 workers with almost 630,000 dependants.
- Tax revenues generated by the tobacco value chain totaled \$1.57bn during 2011.
- Eight processing facilities contributed to \$200m in tobacco and related product exports in 2011.

Key definitions

- **Tobacco value chain** – Primarily crop growing with some elements of processing, manufacturing and retail.
- **Farming** – Includes on-farm production (growing and harvesting), curing, grading and marketing.
- **Processing** – Includes primary processing, green leaf threshing (GLT), processing into cut rag, manufacturing and packaging of products (e.g. cigarettes).
- **Selling** – Wholesale and formal & informal retail.
- **Tobacco and related products imports / exports** – Trade in unmanufactured tobacco; tobacco products (cigarettes, cigars, etc.); and pipe, chewing and snuff tobacco.
- **Total taxes paid** – Includes value-added tax (VAT) and excise and customs duties.
- **Dependants** – People (families) reliant on workers in the tobacco value chain.
- **COMESA** - Burundi, Comoros, DRC, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, South Sudan, Sudan, Swaziland, Uganda, Zambia, Zimbabwe.
- **SADC** - Angola, Botswana, Democratic Republic of the Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe.
- **SACU** - Botswana, Lesotho, Namibia, South Africa, Swaziland.

The following country analyses include a summary table for each economy containing information on players / participants in the tobacco sector; details on employment and dependants; taxes paid; tobacco production; and the imports and exports of tobacco and related products. This report is prepared in order of the size of the countries' tobacco crops in recent years: Malawi; Zimbabwe; Tanzania; Mozambique; Zambia; Kenya; Uganda; South Africa; Ethiopia; Angola; Egypt; and combined Botswana, Lesotho, Namibia and Swaziland (BLNS).

COUNTRY ANALYSIS

Malawi

Highlights:

- There are 30 commercial farmers and as many as 750,000 small-holder tobacco farmers who employ 1.4 million people, who in turn support more than five million dependants (i.e. half of the population).
- Leaf is sold on tobacco floors to local and international buyers and merchants.
- Export revenues from tobacco were valued at \$428.2m during 2011.

Malawi Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	750,000	1,400,600	5,042,160	180,600	237,000	293.7	15.0	50.0
Processing	<i>Manufacturers & GLTs</i>	4	10,000	36,000	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	1,941	3,882	13,975	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	6,281	12,562	45,223	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	>9,422	>9,422	33,919	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	0.2	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	428.2	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	415.0	n/a	n/a
Total		>767,648	1,436,466	5,171,277	180,600	237,000	1,137.1	15.0	50.0

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 4.6 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

Zimbabwe

Highlights:

- Some 65,600 tobacco farmers provide employment for 1.13 million workers who support 5.67 million dependants (i.e. 55% of the population).
- Leaf production totaled 128,000 tonnes in 2011 valued at \$360m.
- There were three GLT processors and seven cigarette manufacturers that contributed \$98.3m in tax revenues during 2011.
- Tobacco is Zimbabwe's largest agricultural export by value and contributes 25% of total export earnings.

Zimbabwe Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	>65,600	1,135,000	5,675,000	84,000	128,000	360.0	10.0	50.0
Processing	<i>Manufacturers & GLTs</i>	10	6,343	31,715	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	36	72	360	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	5,000	10,000	50,000	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	8,000	8,000	40,000	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	60.0	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	579.0	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	98.3	n/a	n/a
Total		>78,656	1,159,415	5,797,075	84,000	128,000	1,097.3	10.0	50.0

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 6 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

Tanzania

Highlights:

- Tobacco is the largest agricultural export product by value, produced on 72,368 hectares of land.
- At least 789,472 people (employees and dependants) equal to 1.5% of the population are directly and indirectly reliant on the tobacco value chain.
- Tobacco and related product exports were valued at \$275.7m during 2011.
- The manufacturing sector employment totaled 7,000 people in 2007.

Tanzania Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	116,010	>116,010	>599,772	72,368	120,000	260.0	0.32	1.38
Processing	<i>Manufacturers & GLTs</i>	4	7,000	36,190	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	x	x	x	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	2,500	5,000	25,500	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	x	x	x	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	9.0	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	275.7	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	105.7	n/a	n/a
Total		>116,014	>128,010	>661,462	72,368	120,000	>650.4	0.32	1.38

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 6.1 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

It is estimated there are 116,000 small-scale tobacco farmers and 10 commercial operations in Tanzania. In 2011, total taxes paid by the tobacco sector to the Tanzanian government were estimated to be at least \$105.7m, or around 2.3% of total government revenues.

Mozambique

Highlights:

- Registered and unregistered tobacco farmers are estimated at 112,000.
- A minimum of 550,400 people are directly dependent on the tobacco sector for employment while a further 3.3 million (14% of population) are indirectly reliant on the sector.
- Exports of tobacco and related products totaled \$204.1m during 2011, of which the vast majority was classified as unmanufactured leaf and tobacco refuse.

Mozambique Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	112,000	>550,400	>3,302,400	69,320	75,000	95	x	x
Processing	<i>Manufacturers & GLTs</i>	3	>5,127	>24,610	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	2,805	5,610	22,440	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	>3,404	>6,808	>27,232	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	19,290	19,290	92,592	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	7.7	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	204.1	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	>90.1	n/a	n/a
Total		137,502	>587,235	>3,468,872	69,320	75,000	>396.9	x	x

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 5 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

The contribution of unmanufactured tobacco to total exports reached 6.2% in 2011. The country currently has three GLT processing and cigarette manufacturing facilities. More than half a million people in the country are employed on small-scale tobacco farms, 5,127 in processing and manufacturing facilities, and 26,098 in the retail division. A further 3.47 million people are indirectly reliant on the sector's employees.

Zambia

Highlights:

- Tobacco production on 36,000 hectares of land created direct employment for 450,000 people in the 2011/12 season and supported 2.3 million dependants – some 20% of the Zambian population.
- An estimated 22,500 farmers cultivated tobacco in the 2010/11 season of which the vast majority was small-scale farmers.
- Some 41,394 tonnes of leaf worth \$126m was produced in 2011 while tobacco and related product exports were valued at \$102m.

Zambia Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	22,500	450,000	2,300,000	36,000	41,394	126.0	3.0	14.0
Processing	<i>Manufacturers & GLTs</i>	1	190	817	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	90	180	468	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	>450	>900	>3,780	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	8,550	8,550	35,910	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	5.5	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	102.0	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	>27.6	n/a	n/a
Total		31,591	459,640	2,340,975	36,000	41,394	>135.1	3.0	14.0

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 5.2 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

Kenya

Highlights:

- An estimated 35,000 farmers (including at least 17,500 small-scale operations) worked on 17,000 hectares of land to produce 22,252 tonnes of tobacco during 2011.
- More than 134,000 people are employed in the local tobacco value chain.
- Tobacco and related exports accounted for 3.7% of total export revenues during 2011.

Kenya Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	35,000	70,000	268,443	17,000	22,252	29.8	0.06	0.24
Processing	<i>Manufacturers & GLTs</i>	4	>1,216	>6,688	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	x	x	x	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	17,204	34,408	154,836	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	28,430	28,430	127,935	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	91.4	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	215.0	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	235.0	n/a	n/a
Total		>80,638	>134,054	557,902	17,000	22,252	571.2	0.06	0.24

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 5.5 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

Uganda

Highlights:

- A total of 22,000 tonnes of tobacco leaf was produced on 14,666 hectares during 2011.
- Manufacturers and GLTs employ 2,750 people with 11,000 dependants while wholesalers and retailers employ 51,245 people with almost 205,000 dependants.
- Tobacco and related product exports have become an increasingly important earner of foreign exchange, generating \$55m in export revenues during 2011.

Uganda Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	75,000	150,000	600,000	14,666	22,000	65.0	1	x
Processing	<i>Manufacturers & GLTs</i>	1	2,750	11,000	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	4,230	8,460	33,840	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	8,557	17,114	68,456	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	25,671	25,671	102,684	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	11.9	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	55.0	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	>31.8	n/a	n/a
Total		113,459	203,995	815,980	14,666	22,000	163.7	1	x

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 5 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

The country's 75,000 tobacco farmers participate on a contract farming basis. A large share of Ugandan tobacco is exported as unmanufactured leaf to countries where there are established processing and manufacturing facilities. In turn, finished tobacco products are imported and then distributed through a wide variety of networks.

South Africa

Highlights:

- The tobacco sector contributed more than \$1.4bn to fiscal revenues during the 2010/11 fiscal year.
- The tobacco value chain employs 184,404 workers with 633,580 dependants.
- Tobacco and related product exports were valued at \$180m during 2011.

South Africa Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	177	9,904	40,000	5,353	15,000	60.0	x	x
Processing	<i>Manufacturers & GLTs</i>	6	3,800	13,200	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	350	700	2,380	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	55,000	110,000	374,000	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	60,000	60,000	204,000	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	209.5	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	180.0	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	>1,400.0	n/a	n/a
Total		115,533	184,404	633,580	5,353	15,000	>1,849.5	x	x

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop) ; informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 4.4 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

The vast majority of the 15,000 tonnes of tobacco produced by 177 commercial farmers along with imported leaf is used in the manufacturing of cigarettes and other products, supporting 3,800 jobs in the processing and manufacturing sector. Tobacco and related product exports were valued at \$180m during 2011 while the equivalent import bill reached \$209.5m. Local distribution includes 350 wholesalers supplying around 55,000 formal and 60,000 informal retailers, with total employment of 184,404 people in the value chain supporting 633,580 dependants.

Ethiopia

Highlights:

- The majority of tobacco used in manufacturing facilities is sourced locally.
- Tobacco products are sold via 66 wholesalers as well as 13,480 formal and 3,500 informal retailers, who employ a combined 30,592 workers with 110,131 dependants.

Ethiopia Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	3,500	3,500	12,600	6,224	4,820	x	x	x
Processing	<i>Manufacturers & GLTs</i>	1	986	3,550	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	66	132	475	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	13,480	26,960	97,056	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	3,500	3,500	12,600	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	13.0	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	0.3	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	54.0	n/a	n/a
Total		20,547	35,078	126,281	6,224	4,820	66.4	x	x

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop) ; informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on an average household size of 4.6 people.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

The public-private National Tobacco Enterprise (NTE) buys the majority of local tobacco output produced by 3,500 farmers on 6,224 hectares and also imports unmanufactured leaf. During 2010, taxes from cigarette and other tobacco product sales accumulated to approximately \$54m, less than 1% of total government revenue.

Angola

Highlights:

- Cigarette sales generated \$97m in tax revenues during 2008.

Angola Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	x	x	x	x	100	x	x	x
Processing	<i>Manufacturers & GLTs</i>	x	x	x	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	7	14	56	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	356	712	2,848	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	3,647	7,294	29,176	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	19.3	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	0.3	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	97.0	n/a	n/a
Total		4,010	8,020	32,080	x	100	116.6	x	x

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)
Where available data is lacking, calculations have been made on an average household size of 5 people.
Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

In 2011 there were seven wholesalers dealing in tobacco products and supplying 356 formal and 3,647 informal retailers. Tobacco and related product exports were valued at \$333,000 in 2011 while the equivalent import bill totaled \$19.3m.

Egypt

Highlights:

- Tobacco processing and cigarette manufacturing employed 15,624 workers and supported 68,750 of their dependants during 2009.
- The government plans to collect \$2.89bn in taxes (both from imports and retail sales) during the 2012 fiscal year.

Egypt Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Processing	<i>Manufacturers & GLTs</i>	30	15,624	68,750	n/a	n/a	>720.0	0.23	n/a
	<i>Wholesalers</i>	x	x	x	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	1,657	3,314	14,582	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	x	x	x	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	424.0	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	97.2	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	>2,890.0	n/a	n/a
Total		>1,687	>18,938	>83,331	n/a	n/a	4,131.2	0.23	n/a

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop); informal retail employment = 1 person per employment unit (e.g. stall)
Where available data is lacking, calculations have been made on an average household size of 5.4 people.
Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

Tobacco cultivation is illegal in Egypt, resulting in the importation of all raw tobacco leaf used in the cigarette manufacturing process. Imports of tobacco and related products totalled \$424m during 2011. The government plans to collect \$90m from customs receipts (on tobacco and related product imports) during the 2012 fiscal year.

BLNS – Botswana, Lesotho, Namibia, Swaziland

Highlights:

- The Botswana tobacco sector paid \$29m in taxes (or 1.2% of total tax revenue) during 2010/11.
- Around \$4.7m in Lesotho’s tax revenues were collected from cigarette sales during 2010.
- The Namibian government collected \$99.7m in taxes from the sale of tobacco products during 2010. A minimum of \$36.2m in Swazi government revenues were collected from cigarette sales during 2010, representing 3.8% of fiscal income.

Botswana, Lesotho, Namibia & Swaziland (BLNS) Tobacco Value Chain Summary									
		Number of Enterprises	Full-Time & Seasonal Employment*	Number of Dependants#	Hectares planted	Tonnes produced	Value (\$m)	% of GDP	% of Agri GDP
Farming	<i>Farmers</i>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Processing	<i>Manufacturers & GLTs</i>	2	31	150	n/a	n/a	n/a	n/a	n/a
	<i>Wholesalers</i>	96	380	1,834	n/a	n/a	n/a	n/a	n/a
Selling	<i>Formal Retailers</i>	3,770	7,600	31,580	n/a	n/a	n/a	n/a	n/a
	<i>Informal Retailers</i>	3,100	3,100	15,250	n/a	n/a	n/a	n/a	n/a
International Trade	<i>Total Imports</i>	n/a	n/a	n/a	n/a	n/a	107.6	n/a	n/a
	<i>Total Exports</i>	n/a	n/a	n/a	n/a	n/a	19.7	n/a	n/a
Total Taxes Paid		n/a	n/a	n/a	n/a	n/a	169.6	n/a	n/a
Total		6,968	11,111	48,814	310	n/a	296.9	n/a	n/a

* Where data is absent, the following is assumed: wholesale employment = 2 people per employment unit (store or shop); formal retail employment = 2 people per employment unit (store or shop) ; informal retail employment = 1 person per employment unit (e.g. stall)

Where available data is lacking, calculations have been made on average household size per country.

Note: "n/a" = not applicable; "x" = not available; ">" = minimum value

Botswana - A total of 56 wholesalers and 2,470 retailers (both formal and informal) supply local consumers with tobacco products. The sector paid \$29m in taxes in 2011, more than the government earned from property and vehicle taxes combined.

Lesotho - All locally consumed products are imported (largely from South Africa) and distributed via 900 formal and 500 informal retailers. The government collected \$4.7m in tax revenues from the sale of cigarettes during 2010.

Namibia - Employment generated by the tobacco sector is limited to the tertiary sector. The only tobacco products imported into Namibia are already manufactured – mainly in the form of cigarettes – and mostly originate from South Africa. The value of imports totaled more than \$39.6m during 2008.

Swaziland - The \$16m in export revenues generated during 2010 from cigarette sales point at the re-export of imported products from South Africa and Zimbabwe. The domestic sale of cigarettes and related products involves seven wholesalers, 400 formal retailers, and 600 informal sellers, with 1,414 workers.

Sources

Publically available data was sourced from multilateral organisations, like the Food and Agricultural Organisation (FAO), World Bank, FARNPAN, the International Labour Organisation (ILO), the International Monetary Fund (IMF), and the World Health Organisation (WHO). International tobacco industry organisations that were consulted include the International Tobacco Growers Association (ITGA) and Tobacco Institute of Southern Africa (TISA). Multinational companies that provided information include Alliance One International, British American Tobacco (BAT), Japan Tobacco International (JTI), and Universal Leaf, amongst others. Grower bodies in the region were also part of the process. Numerous country-specific sources are listed at the end of this document while census data was also used to determine average household size. The information and data provided by the above-mentioned entities were used to collate this report's content per country and per region. Note that while care has been taken to exploit all available resources, the results of this study have been restricted by the at times limited volume of information that some organisations, companies and institutions involved could provide on many of the countries included in the project. As a result, the findings are often provided on an "at least" principle – with many data points seen as minimum values in the absence of more reliable estimates. However, the findings provided in this document are considered by industry experts amongst the most complete to be assembled regarding the tobacco value chain in the COMESA, SADC and SACU regions. Another point to note is that – with the availability of up-to-date data being a challenge – the most recently available information might sometimes be four years old or more.

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