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The economic footprint of traditional tobacco and new nicotine products

Contributions to the EU-27 in 2021

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Executive Summary

Consumer demand for traditional tobacco and new nicotine products in the EU-27 is in transition.¹ A confluence of factors — socioeconomic situations, lifestyle choices, health consciousness and an aging consumer base as well as regulations — have and will continue to influence consumers' purchase decision processes. The market is characterised by ongoing shifts, wherein the revenue shares held by traditional tobacco products are shifting towards new nicotine products. These changes in consumer demand have implications not just for the traditional tobacco and new nicotine products industry but for follow-on economic activity stimulated by the industry across the EU-27.

The core objectives of this study were to: (1) establish a baseline assessment of the economic contributions the traditional tobacco products value chains made to the EU-27 in 2021; (2) establish a baseline assessment of the economic contributions the new nicotine products value chains made to the EU-27 in 2021; and (3) assess the impact that material changes in consumption (either for traditional tobacco products or new nicotine products) could have on the broader EU-27 economy. The industry's economic contributions were quantified in terms of jobs, sales activity, GDP, and wages at the member state and aggregate EU-27 levels.

In 2021, consumers in the EU-27 spent €151.3 billion on traditional tobacco products and new nicotine products, representing approximately 2.5% of total EU-27 consumer expenditures. By considering both the direct and follow-on economic activities affected by these expenditures, this study provides a comprehensive assessment of the economic contributions stimulated by the industry's value chains and the role they play in generating value and supporting jobs across the EU-27. Key findings of this study:

- The traditional tobacco and new nicotine products industry stimulated €194.5 billion in GDP across the EU-27.
 - If embodied as an individual country, it would rank as the 16th largest in the European Union.²
- The industry ultimately supported over 1.5 million EU-27 jobs that paid €43.5 billion in wages.
 - As a point of reference, this is about the size of the current population of Munich, Germany.³
 - This is equivalent to one out of every 130 jobs across the EU-27.
 - For every direct manufacturing job, another 23 were supported across the EU-27: 8 in the supply chains, 11 in wholesale, distribution and retail, and 4 in the broader economies of the member states.
 - For every €1 million consumers spent on traditional tobacco and new nicotine products in 2021, 10 jobs were supported and €1.3 million of GDP was generated across the EU-27.⁴
- The revenue market share of new nicotine products increased from 2.9% in 2016 to 8.8% in 2021.⁵
 - New nicotine products supported about 136,000 jobs that earned €3.7 billion in wages and generated €17.1 billion in GDP across the EU-27.
 - Three member states accounted for 45.7% of the jobs: Poland (16.7%); Italy (14.5%); and Germany (14.4%).
- A 5% decline in traditional tobacco product sales would put over 69,300 jobs at risk and decrease GDP by €8.9 billion across the EU-27.
- A 5% decline in new nicotine product sales would put about 6,800 jobs at risk and decrease GDP by €854.3 million across the EU-27.

¹ Throughout this report, the term "traditional tobacco products" refers to cigarettes, cigars, fine-cut tobacco and other tobacco products. To ensure consistency with terminology used by regulators, "new nicotine products" refers to heated tobacco products, vapour products and nicotine pouches. The results presented in this report include both nicotine-containing and nicotine-free products for vapour products.

² S&P Global Market Intelligence comparison of the €194.5 billion in GDP stimulated by traditional tobacco and new nicotine products to country-level GDP reported in S&P Global Market Intelligence's Global Economy Service.

³ Federal Statistical Office of Germany (Destatis)

⁴ Jobs calculation: (1.5 million jobs) / (€ 151.3 billion spent on traditional tobacco and new nicotine products) equates to 10 jobs per € million spent;

GDP calculation: (€ 194.5 billion in GDP) / (€ 151.3 billion spent on traditional tobacco and new nicotine products) equates to € 1.3 million in GDP per € million spent. ⁵ S&P Global Market Intelligence analysis of Euromonitor and eCigIntelligence data.

The economic contributions of the traditional tobacco and new nicotine products value chains to the EU-27 in 2021



€107.4 billion in excise taxes and VAT

By contribution type	Jobs	Sales activity ⁶	GDP	Wages
Total	1,523K ⁷	€ 304.8B	€ 194.5B	€ 43.4B
Direct	763K	€ 186.7B	€ 140.9B	€ 19.4B
Indirect	522K	€ 80.0B	€ 35.1B	€ 15.7B
Induced	238K	€ 38.0B	€ 18.4B	€ 8.3B

By product category	Jobs	Sales activity	GDP	Wages
Total	1,523K	€ 304.8B	€ 194.5B	€ 43.4B
Traditional tobacco products	1,387K	€ 278.1B	€ 177.4B	€ 39.7B
Cigarettes	1,162K	€ 230.9B	€ 147.4B	€ 32.7B
Cigars, cigarillos and smoking tobacco	47K	€ 9.8B	€ 6.2B	€ 1.4B
Fine-cut tobacco	164K	€ 34.7B	€ 22.3B	€ 5.0B
Other tobacco products	14K	€ 2.7B	€ 1.5B	€ 0.5B
New nicotine products	136K	€ 26.7B	€ 17.1B	€ 3.7B
Heated tobacco products	78K	€ 14.5B	€ 9.2B	€ 2.0B
Vapour products	52K	€ 11.0B	€7.2B	€ 1.5B
Nicotine pouches	6K	€ 1.1B	€ 0.7B	€ 0.2B
Source: S&P Global Market Intelligence				©2023 S&P Global

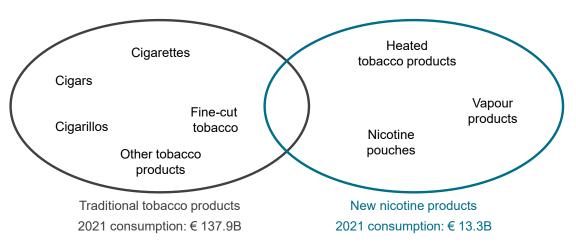
⁶ Direct sales activity and direct GDP contributions include €107 billion of excise taxes and VAT.

⁷ Both full-time and part-time employees are counted in this figure. If converted to full-time-equivalent jobs, the total would be 1,375K jobs. The reader is referred to Appendix D for further details on the methodology.

Introduction

This study assessed the economic contributions that accrued to the EU-27 member states in 2021 attributable to the production, distribution and consumption of traditional tobacco products and new nicotine products. The first classification, traditional tobacco products, refers to products such as cigarettes, cigars, cigarillos and finecut tobacco. To ensure consistency with terminology used by regulators, the new nicotine products classification refers to heated tobacco products, vapour products and nicotine pouches.

In 2021, consumers in the EU-27 spent approximately €151.3 billion on traditional tobacco and new nicotine products,⁸ representing 2.5% of consumer spending across the member states.⁹ Sales were dominated by traditional tobacco products, which accounted for €137.9 billion or 91.2% of sales. New nicotine products made up the remaining €13.3 billion or 8.8% of sales.



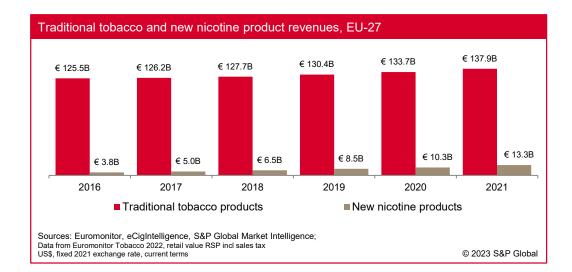
Traditional tobacco and new nicotine products consumption in the EU-27, 2021

The core objectives of this study were to: (1) establish a baseline assessment of the economic contributions the traditional tobacco products sector made to the EU-27 in 2021; (2) establish a baseline assessment of the economic contributions the new nicotine products sector made to the EU-27 in 2021; and (3) assess the impact that shifts in consumer spending (either for traditional tobacco products or new nicotine products) could have on the broader EU-27 economy. The key economic indicators that were the basis of these assessments included contributions to jobs, sales activity, GDP, wages, excise taxes, and VAT at the EU-27 and member state levels.

Markets are in the midst of a transition as declines in spending on traditional tobacco products are being partially offset by increases in spending on new nicotine products. For example, between 2016 and 2021, cigarette unit sales declined by 10.5%, from 451.6 billion sticks to 404.3 billion sticks. Over the same period, consumer spending on new nicotine products grew to €13.3 billion (from €3.8 billion), primarily driven by growth in heated tobacco sticks unit sales. Four member states — Italy, Poland, Germany and the Czech Republic — accounted for almost two-thirds of the EU-27's heated tobacco stick unit sales in 2021. As shown in the following graph, the share of retail spending on new nicotine products markedly increased from 2.9% in 2016 to 8.8% in 2021.

⁸ The monetary figures in this paragraph were derived from an analysis of Euromonitor data, supplemented with data from S&P Global Market Intelligence's Global Consumer Service.

⁹ Source: S&P Global Market Intelligence's Global Consumer Service.



This study isolates the economic contributions attributable to each of the main subcategories of traditional tobacco products and three subcategories of new nicotine products.

Measuring economic contributions

As explained in depth in Appendix C, S&P Global Market Intelligence developed models for measuring the economic contributions stimulated by the traditional tobacco and new nicotine products industry using industry-standard input-output modelling techniques. The core data set was the World Input-Output Database (WIOD), originally funded by the European Commission as part of the 7th Framework Programme, Theme 8: Socio-Economic Sciences and Humanities.

The models measured the following economic metrics:



Sales activity (output). Output represents the value of sales that occur in the national economies that are ultimately attributable to transactions initiated by or through tobacco product manufacturers, distributors, wholesalers or retailers.



Employment. This indicator measures the number of workers required to support a given level of sales activity within an economy on an industry level.



Contribution to Gross Domestic Product/Gross State Product (value added). Gross domestic product (GDP) captures the total value added across a country or the entire EU-27. GDP is generally considered the broadest measure of the size and health of an economy.



Labour Income. Labour income captures the compensation paid to workers.



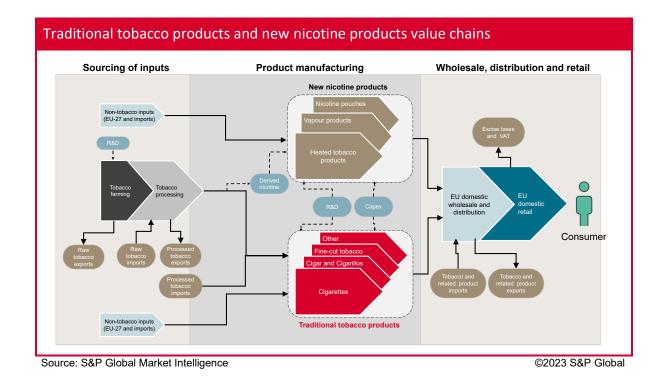
Excise taxes and VAT. Estimates of the taxes paid on traditional tobacco and new nicotine products.

Also explained in Appendix C is how these economic indicators were assessed on three levels: (1) direct effects; (2) indirect or supply chain effects; and (3) induced spending effects.

Traditional tobacco and new nicotine products value chains in the EU-27

Regardless of whether a traditional tobacco product or a new nicotine product is purchased, preceding any retail transaction are a series of interconnected production and logistical processes, each of which generates economic activity and added value. The activities associated with making and supplying traditional tobacco and new nicotine products are spread across the EU-27, spanning raw materials; supply chains; manufacturing; plus distribution, wholesale and retail activities.

As implied by the graphic below, the value chains differ by product category. Any shifts in consumer demand — whether for traditional tobacco products or new nicotine products — will have corresponding upstream impacts on the associated value chains.



Sourcing of inputs

While tobacco is obviously used in traditional tobacco products such as cigarettes and cigars, new nicotine products may also use nicotine derived from tobacco. As such, sourcing of raw tobacco is a core input to the production link of multiple value chains. According to data compiled in the Philip Morris International Tobacco and Nicotine Database¹⁰, there were 30,054 tobacco-growing farms in the EU in 2019. In 2021, tobacco-growing farms in the EU harvested tobacco across 54,730 hectares of land, generating a total of 133,810 tonnes of raw tobacco harvest in the EU.¹¹ This translated into a value of €520.4 million in raw tobacco production in the EU-27 in 2021.¹² Among EU-27 countries, Greece, Italy, Poland, and Spain are the primary contributors to this production, accounting for 85% of the total raw tobacco production value in 2021.

Most of the raw tobacco needed to produce cigarettes and other traditional tobacco products is imported from countries outside the EU-27, including Brazil, Zimbabwe, and the United States. In comparison to the

¹⁰ https://www.pmi.com/tobacco-economics/tobacco-database

¹¹ Eurostat: Crop production in EU standard humidity

¹² Eurostat: Economic accounts for agriculture – values at current prices

estimated 133,810 tonnes of raw tobacco produced in the EU in 2021, the EU imported (net of all exports) 346,695 tonnes of raw tobacco, according to data from UN Comtrade.

The manufacturing processes source inputs from multiple supply chains that vary depending on the product category. For example, a number of flavourings, preservatives, thickening agents, and other additives may be added to the tobacco used in cigarettes and heated tobacco products. Running in parallel to the production of tobacco-related components is the sourcing of non-tobacco components that include:

- cigarette paper
- acetate tow, a fibre used to make cigarette filters with machinery in EU-27 factories
- finished filters
- packaging and wrapping materials
- inks / adhesives

Some of these raw materials are imported and used as inputs to manufacturing plants in the EU-27. The importation process involves purchasing staff, transport workers (both marine and road) and supporting business services (such as lawyers and accountants).

In other cases, raw materials are manufactured in the EU-27. While manufacturers may directly integrate some of these ingredients and components, a significant portion is sourced from suppliers that serve multiple industries. For example, additives essential to the manufacture of cigarettes may be sourced from a supplier that also serves other sectors such as the food and beverage industries. In addition, manufacturers need to purchase services that are vital for their operations such as information technology, maintenance, legal and accounting services. The economic activity initiated by spending with these Tier 1 suppliers spurred follow-on economic activity that was collectively captured as indirect contributions from the extended supply chains of the traditional tobacco and new nicotine products sector.

Product manufacturing

The product manufacturing segment has a significant role in the value chain as inputs are transformed into the final products ultimately purchased by consumers. Over 65,500 people were directly employed across the EU-27 in the manufacturing of traditional tobacco and new nicotine products in 2021. The top four EU-27 countries were Poland (16,900 jobs), Romania (10,700 jobs), Hungary (5,900 jobs) and Germany (5,800 jobs).

For traditional tobacco products, approximately €32.3 billion of production occurred across 17 countries within the EU-27 in 2021, with Poland and Germany collectively accounting for 62.3% of the total. The approximately 59,800 workers who were employed across the EU-27 earned a combined €4.1 billion in wages and salaries.

In addition, the product manufacturing link also requires continual investments in both physical capital (capex) and research & development. These investments are primarily focused on new machinery and innovative methods to: (1) produce new nicotine products and (2) replace or upgrade older machinery producing traditional tobacco products. Thus, not only does the product manufacturing link generate economic activity itself, but it also serves as the connection point of several important subcomponents of the value chain.

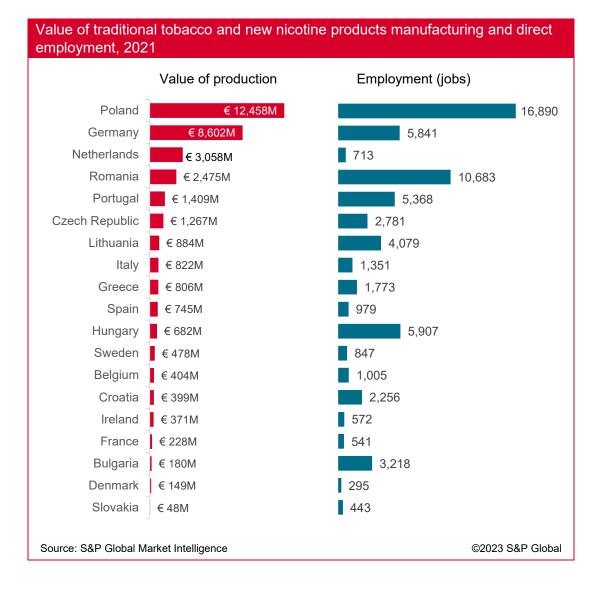
While there is some overlap in the value chains for production of traditional tobacco and new nicotine products, the ramp-up in consumer demand for new nicotine products has led to the emergence of different technologies and inputs used in the manufacturing processes. For example, both vapour and heated tobacco products require accompanying electronic hardware, which, in turn, drives investments in research and development — both in product design and manufacturing equipment — as well as sourcing of electronic components (typically from outside the EU-27). As another example, liquids used in some vapour products use nicotine derived from tobacco, requiring additional processing to isolate the nicotine.

Moreover, there are ongoing reconfigurations of the value chains resulting from demand for new nicotine products that have led to the retooling of existing facilities or capacity expansion across member states. For

example, countries including Croatia, Germany, Greece, Italy, Poland and Romania have experienced scaling in heated tobacco product production; reconstituted tobacco used to make heated tobacco sticks is produced in France; vaping e-liquids are produced in Poland and France, and production of nicotine pouches in the EU is primarily found in Denmark, Hungary and Sweden.

For both traditional tobacco and new nicotine products, approximately €35.5 billion of production occurred across 17 countries within the EU-27 in 2021,¹³ with Germany and Poland collectively accounting for 59.4% of the total. The approximately 65,500 workers who were employed earned a combined €4.5 billion in wages and salaries. The value of production and its associated direct employment by country are shown in the following chart.

The economic contributions stimulated by manufacturing go beyond these direct effects. As explained in Appendix C, spending with EU-27-based suppliers stimulates multiple cycles of economic activity that radiate across the member states' economies. In addition, employees of the traditional tobacco and new nicotine product manufacturers and the workers within their extended supply chains spend significant portions of their wages in the broader EU-27 economies. This induces additional rounds of economic contributions.

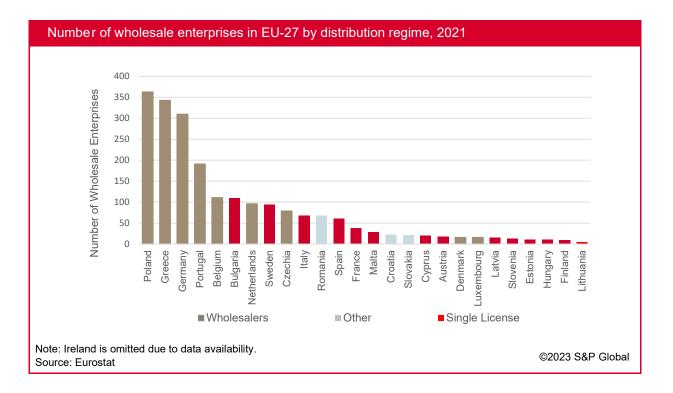


¹³ Source: S&P Global Market Intelligence Comparative Industry Service, based on OECD data

Wholesale and distribution

Following the manufacturing stage, a number of different wholesale and distribution models are deployed across the EU-27. The approximately 2,300 wholesaler enterprises generated €6.7 billion of value added, which was additive to the EU-27's GDP in 2019¹⁴. More than 37,650 full-time equivalent workers were employed by these wholesalers and earned over €1.5 billion in wages.¹⁵

Wholesale and distribution companies create jobs across the EU-27 by employing workers to transport, store, and manage their products. Beyond this, a number of highly skilled jobs have been created to ensure compliance with regulations. The EU's Excise Movement and Control System (EMCS) and Track & Trace (T&T) serve as examples requiring the development of specific systems and involvement of technology providers and manufacturers of specialised equipment.



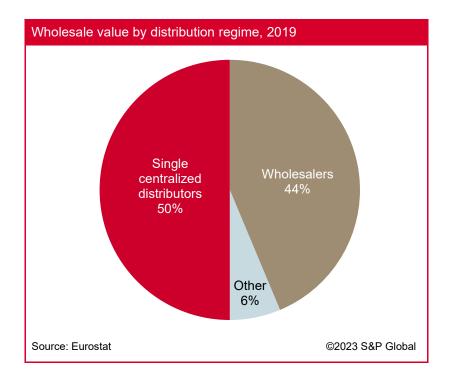
The distribution systems for traditional tobacco and new nicotine products vary across the EU-27. According to the most recent data available from Eurostat, in 2019, approximately half of the value flowed through centralised distribution systems while wholesaler networks accounted for 44%.¹⁶ Nine member states use traditional systems in which large networks of wholesalers distribute products from manufacturers to retailers. At the other end of the spectrum are countries that authorise and regulate licensed distribution systems that require the use of a single centralised distributor.¹⁷ A small handful of countries, including Croatia, Denmark, Luxembourg, Ireland and Slovakia, use some variant in between. Romania is the only country in the EU-27 that uses a direct sales-to-retail distribution scheme.

¹⁴ The latest year for which data were available. In 2019, the United Kingdom was still part of the European Union (the EU-28). The statistics cited in this report exclude the United Kingdom in order to present data relevant for the EU-27.

¹⁵ Eurostat: Annual detailed enterprise statistics for trade

¹⁶ Eurostat: Annual detailed enterprise statistics for trade

¹⁷ Individual countries need not use the same distributor as other countries.



Retail

The permitted points of sale for traditional tobacco and new nicotine products vary across the EU-27. In some countries, such as Hungary, tobacco sales are restricted to approximately 5,500 national tobacco stores.¹⁸ In other countries, such as Italy and Austria, a mix of specialised tobacconists alongside licensed general retail outlets sell traditional tobacco and new nicotine products.

According to Eurostat, there were 70,661 retail stores that specialised in tobacco in the EU in 2019 that employed 123,000 full-time equivalent employees who collectively earned €2.1 billion in wages and salaries.¹⁹ Sales of tobacco also supported jobs in non-specialised retail stores in countries where sales are allowed in such channels. We estimate there were over 697,500 direct employees across the entirety of the industry's EU wholesale, distribution and retail networks in 2021.

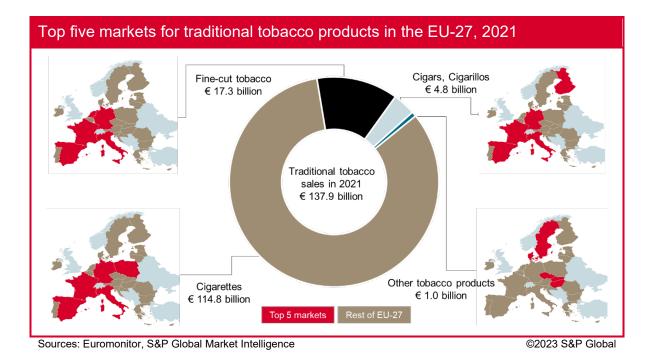
In the EU, the sale of traditional tobacco products is highly regulated and taxed. Of the €151.3 billion in consumer spending, €107.4 went to excise taxes and VAT payments. Thus, over 70% of the prices consumers paid went to various EU-27 governments. Taxation is a powerful lever that affects affordability and can indirectly influence a consumer's purchase decision. However, while making traditional tobacco products less affordable through taxation may be expected to induce consumers to reduce consumption, it also often stimulates demand for cheaper or illegal cigarettes and other contraband. While an analysis of the dynamics of illegal markets was beyond the scope of this study, the existence of illegal trade must be acknowledged as it has historically been a significant issue in many EU-27 countries.

¹⁸ According to Confédération Européennes des Détaillants en Tabac (C.E.D.T).

¹⁹ Eurostat: Annual detailed enterprise statistics for trade

The economic contributions stimulated by traditional tobacco products in 2021

The following graphic breaks out the sales revenues for the main subcategories of traditional tobacco products and identifies the top five markets for each. The largest subcategory, cigarettes, accounted for over 83% of traditional tobacco product sales in 2021.



The €137.9 billion in purchases of traditional tobacco products initiated a cascade of economic activity throughout their value chains. The resultant contributions to key economic indicators such as jobs and GDP are shown below for each traditional tobacco subcategory. Overall, the nearly 1.4 million jobs supported by the traditional tobacco sector accounted for about 0.7% of EU-27 jobs. The sector generated €177.4 billion or 1.2% of the EU-27's overall GDP in 2021. This considerably higher contribution percentage is due, in large part, to the excise taxes and VAT assessed on tobacco products. Taxes are a form of economic value added and, as such, are additive to GDP. With combined excise tax and VAT rates exceeding 70% in most member states, traditional tobacco products generated about €100 billion in revenue for the EU-27 governments. Indeed, more than half of the GDP contributions stimulated by the traditional tobacco sector was in the form of excise taxes and VAT.

Traditional tobacco products are consumed throughout the EU-27 and produced in 17 member states: Belgium, Bulgaria, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, and Sweden.²⁰ Not surprisingly, most of the economic contributions associated with the production of traditional tobacco products accrue to these member states. However, in 2021 about 2.1% of the sales activity and 2.4% of the employment initiated by production accrued across all of the non-producing member states, mainly via supply chain linkages. This indicates that traditional tobacco supply chains extend across the entirety of the EU-27.

Over 693,300 direct jobs were supported across all traditional tobacco product value chains in the EU-27 during 2021. An additional 693,640 jobs were supported through indirect and induced activity. This implies a

²⁰ Source: S&P Global Market Intelligence Comparative Industry Service

jobs multiplier of 1.00. This means for every 100 direct jobs in the traditional tobacco sector, another 100 jobs were supported across the EU-27.

Moreover, economic contribution cycles are initiated by direct sales activity.²¹ The €170.3 billion of direct sales activity led to a follow-on indirect and induced sales activity of €107.8 billion, a multiplier of 0.63. In other words, every €1 million of direct sales activity triggered an additional €630,000 of sales activity across the EU-27.

Ultimately, direct sales activity converts to GDP contributions and supports jobs. In 2021, the €170.3 billion of direct sales activity (€137.9 billion of consumer spending plus €32.3 billion value of production) converted to €177.4 billion of GDP across the EU-27, a conversion rate of 104%. Thus, every euro of direct sales activity ultimately converted to slightly more than one euro of GDP across the EU-27. Viewed from a different perspective, traditional tobacco products helped generate €486 million of GDP, on average, every day in 2021.

More detailed insights, broken out by EU-27 member state, are included in Appendix A.

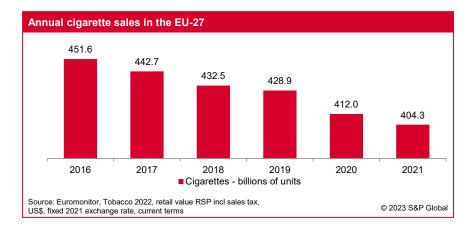
conomic Indicator	Employment	Sales activity	GDP	Wages
By contribution type	1,386,972	€ 278,125M	€ 177,405M	€ 39,740N
Direct (production + wholesale, distribution and retail)	693,330	€ 170,291M	€ 128,481M	€ 17,792
Indirect	476,046	€ 72,999M	€ 32,047M	€ 14,383
Induced	217,596	€ 34,835M	€ 16,876M	€ 7,565
By product category	1,386,972	€ 278,125M	€ 177,405M	€ 39,740N
Cigarettes	1,162,228	€ 230,900M	€ 147,387M	€ 32,746
Cigars, cigarillos and smoking tobacco	47,262	€ 9,806M	€ 6,249M	€ 1,431
Fine-cut tobacco	163,976	€ 34,719M	€ 22,279M	€ 5,035
Other tobacco products	13,506	€ 2,699M	€ 1,491M	€ 528

Source: S&P Global Market Intelligence

 $^{^{21}\,}$ For more information on economic contribution cycles, the reader is referred to Appendix D.

The estimated economic impacts of a 5% decline in traditional tobacco product sales revenue

Cigarette unit sales, which accounted for over 83% of traditional tobacco product sales in 2021, have been on a downward trajectory for many years. Between 2016 and 2021, annual unit sales dropped from 451.6 billion sticks to 404.3 billion sticks — an annual decline of 2.2%.



The models created for this study were used to estimate the impact of a \in 6.9 billion, or 5%, decline in traditional tobacco product sales across the EU-27. Such a decline would have ripple effects as sales and production activity drops throughout the cigarette value chain. Once the indirect and induced effects are considered, the total drop in sales activity would exceed \in 13.9 billion. This, in turn, would put over 69,300 jobs at risk, and result in a \in 8.9 billion decrease in EU-27 GDP. The impacts on each member state are summarised below.

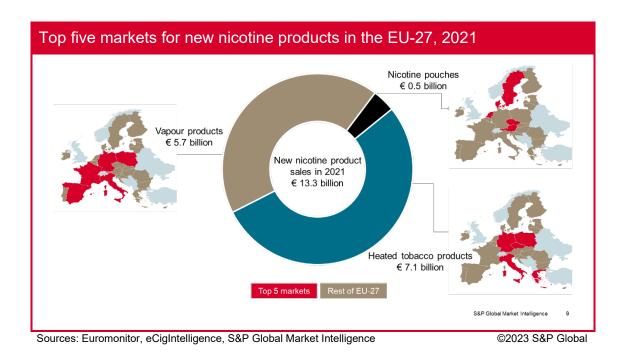
The economic impact	The economic impacts of a 5% decline in traditional tobacco product sales across the EU-27						
Member state	Employment	Sales	GDP	Wages			
Austria	-1,094	-€ 279.0M	-€ 205.1M	-€ 40.6M			
Belgium	-953	- 377.4M	- 250.8M	- 48.7M			
Bulgaria	-1,099	- 119.6M	- 94.7M	- 7.5M			
Croatia	-1,045	- 111.4M	- 77.7M	- 18.4M			
Cyprus	-263	- 35.8M	- 27.4M	- 5.5M			
Czech Republic	-2,928	- 426.3M	- 243.3M	- 51.0M			
Denmark	-515	- 162.1M	- 112.0M	- 24.4M			
Estonia	-93	- 21.7M	- 17.6M	- 1.6M			
Finland	-482	- 152.8M	- 111.5M	- 20.9M			
France	-5,190	- 1,626.2M	- 1,253.6M	- 225.5M			
Germany	-16,694	- 3,353.9M	- 2,038.4M	- 630.4M			
Greece	-1,403	- 266.1M	- 200.2M	- 29.5M			
Hungary	-2,791	- 217.0M	- 127.0M	- 30.1M			
Ireland	-512	- 179.7M	- 129.0M	- 17.9M			
Italy	-4,491	- 1,442.1M	- 1,074.0M	- 159.4M			
Latvia	-446	- 34.0M	- 24.1M	- 5.2M			
Lithuania	-843	- 107.3M	- 56.2M	- 16.9M			
Luxembourg	-145	- 102.5M	- 59.7M	- 8.1M			
Malta	-151	- 19.1M	- 12.7M	- 2.8M			
Netherlands	-2,291	- 704.7M	- 403.4M	- 98.2M			
Poland	-10,815	- 1,880.9M	- 851.2M	- 220.2M			
Portugal	-1,916	- 301.7M	- 171.0M	- 41.9M			
Romania	-7,443	- 564.6M	- 329.5M	- 62.8M			
Slovakia	-843	- 116.5M	- 79.5M	- 12.9M			
Slovenia	-313	- 54.0M	- 40.2M	- 7.9M			
Spain	-3,333	- 971.9M	- 709.1M	- 139.4M			
Sweden	-1,257	- 277.7M	- 171.2M	- 59.2M			
EU-27	-69,349	-€ 13,906.2M	-€ 8,870.2M	-€ 1,987.0M			

Source: S&P Global Market Intelligence

The economic contributions stimulated by new nicotine products in 2021

Sales of new nicotine products are on a growth trajectory in the EU-27. The share of retail spending on new nicotine products tripled from 2.9% in 2016 to 8.8% in 2021.²² More than half of new nicotine product sales in the EU-27 were for heated tobacco products, which have been gaining significant traction in countries such as Italy, surpassing vapour products sales in 2021.

The €13.3 billion market for new nicotine products in the EU-27 is broken out by sub-category and the top five markets for each are identified in the graphic below.



The €13.3 billion in purchases of new nicotine products initiated a cascade of economic activity throughout their value chains. The resultant contributions to key economic indicators, such as jobs and GDP, are shown in the table below, broken out by product category. Key multipliers and conversion rates for the new nicotine products sector include:

- In addition to the 69,785 direct jobs across the EU-27 value chains, the new nicotine products sector supported another 66,100 indirect and induced jobs, a multiplier of 0.95. Thus, for every 100 direct jobs, another 95 jobs were supported across the EU-27.
 - The top four countries, accounting for approximately 54.4% of the jobs, were Poland, Italy, Germany and Romania.
- The €16.5 billion of direct sales activity (€13.3 billion of consumer spending plus €3.2 billion value of production) led to another €10.2 billion of indirect and induced sales activity, a multiplier of 0.62. Thus, every €1.0 million of direct sales activity in the new nicotine sector was matched by an additional €620,000 of indirect and induced sales activity across the EU-27.
- The €16.5 billion of direct sales activity ultimately converted to €17.1 billion of GDP contribution. Thus, every euro of direct sales activity ultimately converted to slightly more than one euro in EU-27 GDP.

More detailed insights for each member state are included in Appendix A.

²² S&P Global Market Intelligence analysis of Euromonitor and eCigIntelligence data.

conomic Indicator	Employment	Sales activity	GDP	Wages
By contribution type	135,881	€ 26,667M	€ 17,086M	€ 3,655N
Direct (production + wholesale, distribution and retail)	69,785	€ 16,452M	€ 12,465M	€ 1,612N
Indirect	46,085	€7,011M	€ 3,070M	€ 1,347N
Induced	20,011	€ 3,204M	€ 1,552M	€ 696N
By product category	135,881	€ 26,667M	€ 17,086M	€ 3,655N
Heated tobacco products	78,304	€ 14,504M	€ 9,182M	€ 1,981
Vapour products	52,075	€ 11,027M	€ 7,209M	€ 1,488
Nicotine pouches	5,502	€ 1,136M	€ 695M	€ 186

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The estimated economic impacts of a 5% decline in new nicotine product sales revenue

The models created for this study were used to estimate the impact of a €666.8 million, or 5%, decline in new nicotine product sales across the EU-27. With the inclusion of indirect and induced activity, over €1.3 billion in sales would be lost across the EU-27. This, in turn, would put almost 6,800 jobs at risk jobs and result in €854.3 million less EU-27 GDP. The impacts for each member state are summarised below.

The economic impacts	The economic impacts of a 5% decline in new nicotine product sales across the EU-27						
Member state	Employment	Sales	GDP	Wages			
Austria	-70	-€ 17.3M	-€ 11.8M	-€ 2.8M			
Belgium	-57	- 20.8M	- 13.0M	- 3.0M			
Bulgaria	-83	- 11.2M	- 9.8M	- 0.5M			
Croatia	-126	- 13.4M	- 8.4M	- 2.6M			
Cyprus	-3	- 0.4M	- 0.2M	- 0.1M			
Czech Republic	-375	- 50.6M	- 37.4M	- 4.9M			
Denmark	-72	- 23.2M	- 17.9M	- 3.0M			
Estonia	-6	- 0.9M	- 0.6M	- 0.1M			
Finland	-22	- 6.3M	- 3.7M	- 1.1M			
France	-417	- 126.9M	- 96.4M	- 18.3M			
Germany	-983	- 180.4M	- 114.7M	- 35.0M			
Greece	-369	- 69.5M	- 43.1M	- 9.1M			
Hungary	-413	- 31.1M	- 19.2M	- 4.3M			
Ireland	-35	- 11.3M	- 8.4M	- 1.2M			
Italy	-995	- 332.5M	- 213.8M	- 38.6M			
Latvia	-82	- 6.1M	- 4.7M	- 0.9M			
Lithuania	-81	- 8.2M	- 7.1M	- 1.0M			
Luxembourg	-3	- 1.8M	- 0.5M	- 0.2M			
Malta	-2	- 0.3M	- 0.1M	0.0M			
Netherlands	-229	- 87.0M	- 38.9M	- 12.9M			
Poland	-1,144	- 169.5M	- 97.8M	- 18.5M			
Portugal	-161	- 23.5M	- 19.2M	- 2.8M			
Romania	-595	- 43.7M	- 24.1M	- 4.9M			
Slovakia	-100	- 14.0M	- 10.2M	- 1.5M			
Slovenia	-22	- 3.7M	- 2.6M	- 0.6M			
Spain	-175	- 40.0M	- 27.1M	- 6.6M			
Sweden	-172	- 39.8M	- 23.8M	- 8.2M			
EU-27	-6,794	-€ 1,333.4M	-€ 854.3M	-€ 182.7M			

Source: S&P Global Market Intelligence

Conclusion

The traditional tobacco and new nicotine products industry faces material changes in consumer demand. This study sought to provide comprehensive assessments of the economic contributions to the EU-27 in 2021 as a result of consumers spending \in 137.9 billion on traditional tobacco products and \in 13.3 billion on new nicotine products. Serving this demand were value chains encompassing the production, wholesaling, distribution and retailing of traditional tobacco and new nicotine products that spanned the EU-27.

The combined €151.3 billion of consumer spending ultimately supported over 1.5 million jobs and generated €194.5 billion of GDP across the EU-27. As a point of reference, the jobs impact was approximately equivalent to the current population of Munich, Germany. The GDP impact was larger than the individual economies of eleven of the EU-27 member states.

The economic contributions accrue across multiple industries and all member states. For every direct traditional tobacco and new nicotine product manufacturing job, another 23 are supported across the EU-27: 8 in the supply chains, 11 in wholesale, distribution and retail, and 4 in the broader economies of the member states.

While this study did not forecast the potential impacts of any specific policies or regulations that may be implemented in the EU-27, two counterfactual analyses were included to provide insights on how subtle changes in consumer preferences could affect baseline economic indicators such as jobs and GDP. A 5% decline in traditional tobacco product sales could put over 69,300 jobs at risk and lessen EU-27 GDP by €8.9 billion. A 5% decrease in new nicotine product sales could put almost 6,800 jobs at risk and lower EU-27 GDP by €854.3 million.

Many factors influence each consumer's decision whether to buy or pass on traditional tobacco and new nicotine products including, but not limited to socioeconomic situations, lifestyle choices, health consciousness and an aging consumer base. Amidst ongoing transitions in the industry and in consumer preferences, this study can inform current and future dialogues on how to effectively navigate the transitions necessitated by shifts in consumer demand for traditional tobacco and new nicotine products.

Appendix A: Economic contributions of traditional tobacco products and new nicotine products in the EU-27 by member state in 2021

		and related products		
conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
				Jobs (workers)
Employment by contribution type	491,535	1,031,318	1,522,852	
(across all product categories) Direct	65,541	697,574	763,115	Induced 237,607
Indirect	327,061	195,070	522,131	237,007
Induced	98,933	138,674	237,607	Direct Indirect
Induced	90,933	130,074	237,007	763,115 522,131
Employment by product category (direct, indirect and induced)	491,535	1,031,318	1,522,852	
Traditional tobacco products	448,337	938,635	1,386,972	New nicotine products
Cigarettes	371,508	790,720	1,162,228	135,881
Cigars, cigarillos and smoking tobacco	15,821	31,441	47,262	
Fine-cut tobacco Other tobacco products	55,485 5,523	108,490 7,983	163,976 13,506	Traditional tobacco products
				1,386,972
New nicotine products	43,198	92,683	135,881	
Heated tobacco products Vapour products	23,964 17,250	54,341 34,825	78,304 52,075	
Nicotine pouches	1,984	3,517	5,502	0% 20% 40% 60% 80% 100
				Sales activity (€ millions)
Sales activity by contribution type (across all product categories, in € millions)	101,272	203,521	304,792	Induced
across all product categories, in € millions) Direct	35 166	151,277	186,744	38,039
	35,466			
Indirect Induced	49,967 15.838	30,043 22,200	80,010 38,039	Direct Indirect
Induced	15,030	22,200	30,039	186,744 80,010
Sales activity by product category (direct, indirect and induced, in € millions)	101,272	203,521	304,792	
Traditional tobacco products	92,372	185,753	278,125	New nicotine products
Cigarettes	76,542	154,358	230,900	26,667
Cigars, cigarillos and smoking tobacco	3,260	6,547	9,806	
Fine-cut tobacco	11,432	23,287	34,719	Traditional tobacco products
Other tobacco products	1,138	1,562	2,699	278,125
New nicotine products	8,900	17,767	26,667	
Heated tobacco products	4,937	9,567	14,504	
Vapour products	3,554	7,473	11,027	
Nicotine pouches	409	727	1,136	0% 20% 40% 60% 80% 100'
				GDP contribution (€ millions)
GDP by contribution type	36,055	158,436	194,491	
(across all product categories, in € millions)				Indirect
Direct	8,142	132,804	140,946	35,117
Indirect	20,240	14,877	35,117	
Induced	7,673	10,755	18,428	Direct 140,946
GDP by product category	36,055	158,436	194,491	Induced
(direct, indirect and induced, in € millions)			4 40-	18,428
Traditional tobacco products	32,886	144,518	177,405	
Cigarettes Cigars, cigarillos and smoking tobacco	27,251 1,161	120,136 5,089	147,387 6,249	
Fine-cut tobacco	4,070	18,209	22,279	Traditional tobacco products
Other tobacco products	405	1,085	1,491	177,405
New nicotine products	3,169	13,918	17,086	
Heated tobacco products	3,169 1,758	1 3,918 7,424	9,182	New nicotine products
Vapour products	1,758	5,944	7,209	17,086
Nicotine pouches	146	550	695	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Wages by contribution type	17,265	26,129	43,395	wages (e minoris)
(across all product categories, in € millions)	,200	20,120	-0,000	Induced
Direct	4,505	14,898	19,404	8,261
Indirect	9,320	6,410	15,730	
Induced	3,440	4,821	8,261	Direct Indirect
				19,404 15,730
Wages by product category	17,265	26,129	43,395	
(direct, indirect and induced, in € millions)	45 740	00.000	20 7 40	Note manifest and the second
Traditional tobacco products	15,748 13,049	23,992 19,697	39,740	New nicotine products 3,655
Cigarettes Cigars, cigarillos and smoking tobacco	13,049 556	19,697 875	32,746 1,431	3,033
Fine-cut tobacco	1,949	3,086	5,035	
	194	334	528	Traditional tobacco products 39,740
Other tobacco products				
			3 CEE	55,740
New nicotine products	1,517	2,138	3,655	
			3,655 1,981 1,488	03,140

onomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail		
Employment by contribution type	3,676	19.605	23,281	Jobs (workers)
across all product categories)	0,010	10,000		Induced
Direct	0	13,357	13,357	5,233
Indirect	1,517	3,174	4,691	
Induced	2,159	3,074	5,233	Direct Indirect
	0.070	40.005	00.004	13,357 4,691
Employment by product category direct, indirect and induced)	3,676	19,605	23,281	
Traditional tobacco products	3,354	18,519	21,873	
Cigarettes	2,665	16,609	19,274	New nicotine products 1,408
Cigars, cigarillos and smoking tobacco	115	626	741	1,100
Fine-cut tobacco	532	1,238	1,769	Traditional tabance and unter
Other tobacco products	43	46	89	Traditional tobacco products 21,873
New nicotine products	322	1,086	1,408	
Heated tobacco products	181	356	537	
Vapour products	124	484	608	
Nicotine pouches	17	247	264	0% 20% 40% 60% 80% 10
Sales activity by contribution type	906	5,022	5,927	Sales activity (€ millions)
across all product categories, in € millions)				Induced 1,014
Direct	0	3,673	3,673	1,014
Indirect	483	756	1,240	
Induced	422	592	1,014	Direct Indirect 3,673 1,240
Sales activity by product category	906	5,022	5,927	
direct, indirect and induced, in € millions)				
Traditional tobacco products	831	4,749	5,580	New nicotine products 347
Cigarettes	669	4,277	4,946	347
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	29 126	160 303	189 429	
Other tobacco products	8	9	429	Traditional tobacco products
				5,580
New nicotine products	74	272	347	
Heated tobacco products	41 30	85 122	126 151	
Vapour products Nicotine pouches	30	65	69	0% 20% 40% 60% 80% 100
··· · P··· ·				
				GDP contribution (€ millions)
GDP by contribution type	389	3,948	4,337	
across all product categories, in € millions)		0.000	0.000	Indirect 541
Direct	0	3,299	3,299	
Indirect	182 207	359 291	541 498	Direct
Induced	207	291	498	3,299
DP by product category	389	3,948	4,337	Induced
direct, indirect and induced, in € millions) Traditional tobacco products	357	3,744	4,101	498
Cigarettes	288	3,394	3,682	
Cigars, cigarillos and smoking tobacco	12	125	138	
Fine-cut tobacco	53	220	273	Traditional tobacco products
Other tobacco products	4	4	8	4,101
New nicotine products	32	204	236	
Heated tobacco products	18	56	74	New nicotine products
Vapour products	13	93	106	236
Nicotine pouches	2	54	56	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Vages by contribution type	193	674	867	trages (c millions)
across all product categories, in € millions)				Induced
Direct	0	375	375	232
Indirect	97	164	260	
Induced	97	136	232	Direct Indirect
Vagas by product category	193	674	867	375 260
Vages by product category direct, indirect and induced, in € millions)	193	0/4	001	
Traditional tobacco products	177	635	812	New nicotine products
Cigarettes	144	565	710	55
Cigars, cigarillos and smoking tobacco	6	22	28	
Fine-cut tobacco	25	46	71	
Other tobacco products	2	2	4	Traditional tobacco products 812
New nicotine products	16	39	55	012
Heated tobacco products	9	39 14	23	
	7	17	23	
Vapour products	/	17		

conomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail		
Employment by contribution type	5,697	14,503	20,199	Jobs (workers)
(across all product categories)	-,		.,	Induced
Direct	1,005	9,139	10,144	4,553
Indirect	2,792	2,711	5,502	
Induced	1,900	2,653	4,553	Direct Indirect 10,144 5,502
Employment by product category (direct, indirect and induced)	5,697	14,503	20,199	
Traditional tobacco products	5,321	13,745	19,066	New nicotine products
Cigarettes	4,565	10,638	15,203	1,134
Cigars, cigarillos and smoking tobacco	144	328	472	
Fine-cut tobacco	549	2,731	3,280	Traditional tobacco products
Other tobacco products	64	47	111	19,066
New nicotine products	375	758	1,134	
Heated tobacco products	171	152	323	
Vapour products	186 19	590 16	776 35	
Nicotine pouches	19	10	55	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	2,012	5,951	7,963	Induced
across all product categories, in € millions)	101	4 000		1,284
Direct	404	4,368	4,771	
Indirect	1,074	835	1,908	Direct Indirect
Induced	535	749	1,284	Direct Indirect 4,771 1,908
Sales activity by product category direct, indirect and induced, in € millions)	2,012	5,951	7,963	
Traditional tobacco products	1,892	5,655	7,547	New nicotine products
Cigarettes	1,643	4,353	5,997	416
Cigars, cigarillos and smoking tobacco	52	129	181	
Fine-cut tobacco	182	1,159	1,340	Traditional tobacco products
Other tobacco products	16	14	30	7,547
New nicotine products	120	296	416	
Heated tobacco products	52	46	98	
Vapour products Nicotine pouches	62 5	246 5	307 10	0% 20% 40% 60% 80% 100
	0	Ŭ	10	
				GDP contribution (€ millions)
GDP by contribution type across all product categories, in € millions)	667	4,609	5,276	Indirect
Direct	77	3,919	3,996	728
Indirect	359	3,919	728	
Induced	230	308	552	Direct
	667	4 600	E 070	3,996
GDP by product category direct, indirect and induced, in € millions)	667	4,609	5,276	Induced
Traditional tobacco products	622	4,394	5,016	552
Cigarettes	533	3,360	3,893	
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	18 66	94 934	112 999	
Other tobacco products	6	934	12	Traditional tobacco products 5,016
				0,010
New nicotine products	45	215	259	New nicotine products
Heated tobacco products Vapour products	20 23	19 194	38 217	259
Nicotine pouches	2	2	4	0% 20% 40% 60% 80% 10
				Wagas (6 millions)
Vages by contribution type	352	682	1,034	Wages (€ millions)
across all product categories, in € millions)	002	002	1,004	Induced
Direct	50	361	411	266
Indirect	191	166	357	
Induced	111	155	266	Direct Indirect
Vages by product category	352	682	1,034	411 357
direct, indirect and induced, in € millions) Traditional tobacco products	329	644	073	KI K
Traditional tobacco products Cigarettes	285	644 501	973 787	New nicotine products 61
Cigarelles Cigars, cigarillos and smoking tobacco	205 10	16	26	
Fine-cut tobacco	31	124	155	Traditional tobacco products
Other tobacco products	3	3	6	Traditional tobacco products 973
New nicotine products	23	37	61	
Heated tobacco products	10	9	19	
Vapour products	12	27	39	
Nicotine pouches	1	1	2	0% 20% 40% 60% 80% 10

conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
				Jobs (workers)
Employment by contribution type	10,640	13,016	23,656	JUDS (WORKEIS)
(across all product categories)				Induced
Direct	3,218	8,169	11,388	4,259
Indirect	5,634	2,375	8,009	
Induced	1,787	2,472	4,259	Direct Indirect 11,388 8,009
Employment by product category (direct, indirect and induced)	10,640	13,016	23,656	
Traditional tobacco products	10,212	11,774	21,986	
Cigarettes	9,701	10,976	20,677	New nicotine products 1,670
Cigars, cigarillos and smoking tobacco	101	215	315	1,010
Fine-cut tobacco	375	547	922	
Other tobacco products	35	37	72	Traditional tobacco products 21,986
New nicotine products	427	1,242	1,670	
Heated tobacco products	299	878	1,177	
Vapour products	115	351	467	
Nicotine pouches	13	13	26	0% 20% 40% 60% 80% 10
Sales activity by contribution type	533	2,083	2,616	Sales activity (€ millions)
across all product categories, in € millions)		, i i i i i i i i i i i i i i i i i i i		Induced 169
Direct	180	1,873	2,053	169
Indirect	283	111	394	
Induced	70	99	169	Direct Indirect 2,053 394
Sales activity by product category direct, indirect and induced, in € millions)	533	2,083	2,616	
Traditional tobacco products	513	1,878	2,391	New nicotine products
Cigarettes	491	1,799	2,290	225
Cigars, cigarillos and smoking tobacco	5	26	31	
Fine-cut tobacco	16	51	67	Traditional tobacco products
Other tobacco products	1	2	3	2,391
New nicotine products	20	205	225	
Heated tobacco products	14	151	165	
Vapour products	5	53	58	
Nicotine pouches	1	1	1	0% 20% 40% 60% 80% 100
				GDP contribution (€ millions)
GDP by contribution type	188	1,902	2,089	
across all product categories, in € millions)	100	1,002	2,000	Indirect
Direct	47	1,814	1,861	158
Indirect	112	47	158	
Induced	29	41	70	Direct 1,861
GDP by product category	188	1,902	2,089	Induced
direct, indirect and induced, in € millions)	400	4 740	4 00 4	70
Traditional tobacco products Cigarettes	180 171	1,713 1,650	1,894 1,821	
Cigarelles Cigars, cigarillos and smoking tobacco	2	22	24	
Fine-cut tobacco	6	40	47	Traditional tobacco products
Other tobacco products	1	1	1	1,894
New nicotine products	8	188	196	
Heated tobacco products	5	140	145	New nicotine products
Vapour products	2	48	50	196
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Nages by contribution type	80	81	161	
across all product categories, in € millions)				Induced
Direct	20	43	63	31
Indirect	47	20	67	
Induced	13	18	31	Direct Indirect
Vages by product category	80	81	161	63 67
direct, indirect and induced, in € millions) Traditional tobacco products	77	73	150	Now pleating and dust
Traditional tobacco products Cigarettes	73	73 68	150 141	New nicotine products 11
Cigarenes Cigars, cigarillos and smoking tobacco	1	1	2	
Fine-cut tobacco	3	4	7	
Other tobacco products	0	0	0	Traditional tobacco products 150
New nicotine products	3	8	11	
Heated tobacco products	2	5	8	
Vapour products	1	2	3	
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10

conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
		and retail		Jobs (workers)
Employment by contribution type	6,169	17,237	23,407	
(across all product categories)				Induced
Direct	2,256	12,742	14,997	1,856
Indirect Induced	3,133 780	3,420 1,076	6,553 1,856	Direct Indirect
Induced	700	1,070	1,000	Direct Indirect 14,997 6,553
Employment by product category	6,169	17,237	23,407	
(direct, indirect and induced)				
Traditional tobacco products	5,081 4,842	15,814	20,895	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	4,842	14,857 203	19,700 253	2,511
Fine-cut tobacco	174	738	911	The different tables are specificate
Other tobacco products	15	16	31	Traditional tobacco products 20,895
New nicotine products	1,088	1,423	2,511	
Heated tobacco products	533	805	1,338	
Vapour products	547 7	586 33	1,133 40	
Nicotine pouches	/	33	40	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	794	1,703	2,497	Induced
across all product categories, in € millions)	399	1 400	4 700	128
Direct Indirect	399	1,400 228	1,799 570	
Induced	53	75	128	Direct Indirect
induced		10	120	1,799 570
Sales activity by product category	794	1,703	2,497	
(direct, indirect and induced, in € millions)				New nicotine products
Traditional tobacco products Cigarettes	667 649	1,562 1,472	2,229 2,121	268
Cigars, cigarillos and smoking tobacco	4	1,472	2,121	
Fine-cut tobacco	13	70	83	Traditional tobacco products
Other tobacco products	1	1	2	2,229
New nicotine products	128	141	268	
Heated tobacco products	66	80	146	
Vapour products	61 1	58 3	119 4	0% 20% 40% 60% 80% 100
Nicotine pouches	1	3	4	
				GDP contribution (€ millions)
GDP by contribution type	318	1,404	1,722	
(across all product categories, in € millions) Direct	117	1 000	1 350	Indirect 306
Indirect	117	1,233 132	1,350 306	
Induced	27	38	506 65	Direct
				1,350
GDP by product category direct, indirect and induced, in € millions)	318	1,404	1,722	Induced
Traditional tobacco products	267	1,288	1,555	65
Cigarettes	259	1,217	1,475	
Cigars, cigarillos and smoking tobacco	2	15	17	
Fine-cut tobacco Other tobacco products	6 0	55 1	61 1	Traditional tobacco products
				1,555
New nicotine products Heated tobacco products	51 25	116 66	167 91	New nicotine products
Heated tobacco products Vapour products	25	66 48	91 73	167
Nicotine pouches	0	3	3	0% 20% 40% 60% 80% 10
				Wagaa (6 milliona)
Wages by contribution type	208	214	421	Wages (€ millions)
across all product categories, in € millions)				Induced
Direct	98	141	239	32
Indirect	96	55	151	
Induced	13	18	32	Direct Indirect 239 151
Wages by product category	208	214	421	200 101
direct, indirect and induced, in € millions)				
Traditional tobacco products	172	196	369	New nicotine products 53
Cigarettes Cigars, cigarillos and smoking tobacco	168 1	183 3	352 4	53
Fine-cut tobacco	3	10	13	
Other tobacco products	0	0	1	Traditional tobacco products 369
New nicotine products	35	18	53	
Heated tobacco products	18	10	28	
Vapour products	17	7	25	
Nicotine pouches	0	0	1	0% 20% 40% 60% 80% 10

conomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail		
Employment by contribution type	321	5,003	5,325	Jobs (workers)
(across all product categories)	021	0,000	0,020	Induced
Direct	0	3,980	3,980	551
Indirect	90	703	793	
Induced	231	320	551	Direct Indirect
				3,980 793
Employment by product category	321	5,003	5,325	
direct, indirect and induced) Traditional tobacco products	288	4,968	5,256	
Cigarettes	239	4,394	4,633	New nicotine products
Cigars, cigarillos and smoking tobacco	10	113	122	
Fine-cut tobacco	35	456	490	Traditional tobacco products
Other tobacco products	5	5	10	5,256
New nicotine products	33	35	69	
Heated tobacco products	20	20	40	
Vapour products	12	14	25	
Nicotine pouches	2	2	4	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	40	684	724	
across all product categories, in € millions)		500	500	61
Direct	0	536	536	
Indirect Induced	15 25	112 36	127 61	Direct Indirect
Induced	20	30	01	536 127
Sales activity by product category	40	684	724	
direct, indirect and induced, in € millions)				
Traditional tobacco products	36	680	716	New nicotine products
Cigarettes	30	602	632	8
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	1 4	15 62	17 66	
Other tobacco products	4	02 1	1	Traditional tobacco products
				716
New nicotine products	4	4	8	
Heated tobacco products Vapour products	2	2	5 3	
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10
				GDP contribution (€ millions)
GDP by contribution type across all product categories, in € millions)	20	531	551	Indirect
Direct	0	455	455	64
Indirect	6	57	64	
Induced	13	19	32	Direct 455
		504		400
GDP by product category direct, indirect and induced, in € millions)	20	531	551	Induced
Traditional tobacco products	18	529	547	32
Cigarettes	15	469	484	
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	1	12 48	12 50	
Other tobacco products	0	40 0	50	Traditional tobacco products 547
New nicotine products Heated tobacco products	2	2 1	4 2	New nicotine products
Vapour products	1	1	2	
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10
				,
Nages by contribution type	9	103	113	Wages (€ millions)
across all product categories, in € millions)		105	115	Induced
Direct	0	74	74	14
Indirect	3	21	25	
Induced	6	8	14	Direct Indirect
Nages by product estagon	9	103	113	74 25
Nages by product category direct, indirect and induced, in € millions)	Э	103	113	
Traditional tobacco products	8	102	111	New nicotine products
Cigarettes	7	90	98	2
Cigars, cigarillos and smoking tobacco	0	2	3	
Fine-cut tobacco	1	9	10	Traditional tobacco products
Other tobacco products	0	0	0	111
New nicotine products	1	1	2	
Heated tobacco products	1	1	1	
Vapour products	0	0	1	
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10

conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
				Jobs (workers)
Employment by contribution type	21,309	44,739	66,048	
(across all product categories)				Induced
Direct	2,781	30,841	33,622	6,002
Indirect	16,007	10,417	26,424	
Induced	2,521	3,481	6,002	Direct Indirect 33,622 26,424
Employment by product category	21,309	44,739	66,048	30,022 20,424
(direct, indirect and induced)				
Traditional tobacco products	20,797	37,760	58,557	New nicotine products
Cigarettes	17,301	33,282	50,583	7,491
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	215 3,222	1,527 2,786	1,742 6,008	
Other tobacco products	59	165	224	Traditional tobacco products
·				58,557
New nicotine products	512	6,979	7,491	
Heated tobacco products Vapour products	220 266	4,934 1,547	5,154 1,813	
Nicotine pouches	200	497	524	
Weenne pouries	20	101	024	0% 20% 40% 60% 80% 100
				Sales activity (€ millions)
Sales activity by contribution type	3,488	6,049	9,536	Induced
(across all product categories, in € millions)	4 007	4 500	F 0.50	618
Direct	1,267	4,583	5,850	
Indirect	1,963	1,106	3,069	Direct Indianat
Induced	257	360	618	Direct Indirect 5,850 3,069
Sales activity by product category	3,488	6,049	9,536	
(direct, indirect and induced, in € millions)				New nicotine products
Traditional tobacco products	3,432	5,093	8,525	1,011
Cigarettes	2,944 26	4,497 207	7,442 232	
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	457	368	826	
Other tobacco products	5	21	26	Traditional tobacco products
·				8,525
New nicotine products	56	955	1,011	
Heated tobacco products	23	678	701	
Vapour products	30	209	239	
Nicotine pouches	3	68	71	0% 20% 40% 60% 80% 100
				GDP contribution (€ millions)
GDP by contribution type	1,109	4,504	5,613	
(across all product categories, in € millions)				Indirect
Direct	289	3,923	4,212	1,168
Indirect	724	444	1,168	
Induced	97	136	234	Direct 4,212
GDP by product category	1,109	4,504	5,613	
(direct, indirect and induced, in € millions)				Induced 234
Traditional tobacco products	1,090	3,776	4,866	
Cigarettes	932 9	3,345 154	4,277 163	
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	9 147	263	410	T W W
Other tobacco products	2	14	16	Traditional tobacco products 4,866
				1,000
New nicotine products	20	728	747	New nicotine products
Heated tobacco products Vapour products	8	519 156	527 167	747
Nicotine pouches	1	53	53	0% 20% 40% 60% 80% 10
Wages by contribution type	544	574	1,117	Wages (€ millions)
(across all product categories, in € millions)	044	574	1,117	
Direct	170	351	522	Induced 93
Indirect	335	168	503	
Induced	39	54	93	Direct Indirect
				522 503
Wages by product category	544	574	1,117	
direct, indirect and induced, in € millions)			<u>-</u>	
Traditional tobacco products	535	485	1,020	New nicotine products
Cigarettes	466	427	893	97
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	4	20 37	24 101	
Other tobacco products	1	2	3	Traditional tobacco products
New nicotine products	9	88	97	1,020
Heated tobacco products	9	60 62	97 66	
Vapour products	5	20	25	

onomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail		
Employment by contribution type	3,294	8,432	11,726	Jobs (workers)
across all product categories)	0,204	0,402	11,720	Induced
Direct	295	5,612	5,907	3,067
Indirect	1,747	1,005	2,752	
Induced	1,252	1,815	3,067	Direct Indirect
				5,907 2,752
Employment by product category	3,294	8,432	11,726	
direct, indirect and induced)				
Traditional tobacco products	3,023	7,272	10,294	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	2,169 85	6,294 189	8,463 274	1,432
Fine-cut tobacco	510	697	1,207	
Other tobacco products	259	92	351	Traditional tobacco products
New piectine products	272	1 460	4 4 2 2	10,294
New nicotine products Heated tobacco products	92	1,160 334	1,432 426	
Vapour products	93	441	534	
Nicotine pouches	87	385	472	0% 20% 40% 60% 80% 10
·				070 2070 4070 0070 0070 10
				Sales activity (€ millions)
Sales activity by contribution type	1,004	2,702	3,706	Induced
across all product categories, in € millions)			a :=-	Induced 687
Direct	149	2,029	2,178	
Indirect	568	273	841	
Induced	286	401	687	Direct Indirect 2,178 841
Salaa aativity by product astagony	1 004	2 702	2 706	2,
Sales activity by product category direct, indirect and induced, in € millions)	1,004	2,702	3,706	
Traditional tobacco products	925	2,316	3,242	New nicotine products
Cigarettes	682	2,015	2,697	464
Cigars, cigarillos and smoking tobacco	27	58	85	
Fine-cut tobacco	147	215	362	Traditional tobacco products
Other tobacco products	70	29	98	3,242
New nicotine products	78	386	464	
Heated tobacco products	23	106	129	
Vapour products	26	146	172	
Nicotine pouches	30	134	163	0% 20% 40% 60% 80% 100
				GDP contribution (€ millions)
GDP by contribution type	385	2,213	2,598	GDF contribution (e minions)
across all product categories, in € millions)		_,	_,	Indirect
Direct	28	1,877	1,905	352
Indirect	215	137	352	
Induced	142	199	341	Direct 1,905
DP by product catogory	385	2,213	2,598	1,000
GDP by product category direct, indirect and induced, in € millions)	505	2,215	2,550	Induced
Traditional tobacco products	355	1,885	2,240	341
Cigarettes	270	1,650	1,920	
Cigars, cigarillos and smoking tobacco	11	45	56	
Fine-cut tobacco Other tobacco products	54 21	169 21	223 41	Traditional tobacco products
	21	21	41	2,240
New nicotine products	30	328	358	k1
Heated tobacco products	10	86	96	New nicotine products 358
Vapour products Nicotine pouches	11 9	124 118	135 127	0% 20% 40% 60% 80% 10
Nicourie pouches	9	110	127	
				Wages (€ millions)
Vages by contribution type	207	343	550	
across all product categories, in € millions)				Induced
Direct	21	178	199	171
Indirect	116	65	181	
Induced	71	100	171	Direct Indirect
Vages by product category	207	343	550	199 181
wages by product category direct, indirect and induced, in € millions)	207	343	550	
Traditional tobacco products	191	298	489	New nicotine products
Cigarettes	147	2 90 256	409 402	New nicoline products
Cigarenes Cigars, cigarillos and smoking tobacco	6	8	14	
Fine-cut tobacco	27	30	57	
Other tobacco products	11	4	15	Traditional tobacco products 489
New nicotine products	16	45	61	+00
Heated tobacco products	5	45 14	19	
Vapour products	6	17	23	
Nicotine pouches	5		19	

onomic indicator	Production	Wholesale, distribution	Total	Charts
	Production	and retail	Total	Charts
Employment by contribution type	528	1 420	1 067	Jobs (workers)
across all product categories)	520	1,439	1,967	the second se
Direct	0	743	743	Induced 669
Indirect	247	308	555	
Induced	281	388	669	Direct Indirect
				743 555
Employment by product category	528	1,439	1,967	
direct, indirect and induced)				
Traditional tobacco products	486	1,369	1,855	New nicotine products
Cigarettes	395	1,230	1,625	112
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	13 53	51 75	64 129	
Other tobacco products	24	14	38	Traditional tobacco products
				1,855
New nicotine products	42	70	112	
Heated tobacco products	18	26	45	
Vapour products	17 6	40 4	57 10	
Nicotine pouches	0	7	10	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	58	393	451	, (,
across all product categories, in € millions)			-	Induced
Direct	0	323	323	61
Indirect	33	34	67	
Induced	25	35	61	Direct Indirect
Sales activity by product category	58	393	451	323 67
direct, indirect and induced, in € millions)			401	
Traditional tobacco products	54	380	434	New nicotine products
Cigarettes	46	353	398	17
Cigars, cigarillos and smoking tobacco	1	14	15	
Fine-cut tobacco	5	12	17	Traditional tobacco products
Other tobacco products	2	2	4	434
New nicotine products	4	13	17	
Heated tobacco products	2	3	4	
Vapour products	2	10	12	
Nicotine pouches	1	0	1	0% 20% 40% 60% 80% 100
GDP by contribution type	23	341	364	GDP contribution (€ millions)
across all product categories, in € millions)				Indirect
Direct	0	310	310	27
Indirect	12	15	27	
Induced	11	16	27	Direct 310
SDP by product category	23	341	364	
direct, indirect and induced, in € millions)		•		Induced
Traditional tobacco products	21	331	353	27
Cigarettes	18	311	329	
Cigars, cigarillos and smoking tobacco	1	12	12	
Fine-cut tobacco	2	8 1	11	Traditional tobacco products
Other tobacco products	1	1	1	353
New nicotine products	2	10	12	
Heated tobacco products	1	1	2	New nicotine products
Vapour products	1	9	9	0% 20% 40% 60% 80% 10
Nicotine pouches	0	0	0	
				Wages (€ millions)
Nages by contribution type	11	23	35	
across all product categories, in € millions)				Induced
Direct	0	10	10	12
Indirect	6	6	12	
Induced	5	7	12	Direct Indirect
.				10 12
Nages by product category	11	23	35	
direct, indirect and induced, in € millions)			~~	
Traditional tobacco products	10	22 20	33	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	9	20 1	29 1	
Fine-cut tobacco	1	1	2	
Other tobacco products	0	0	1	Traditional tobacco products
			-	33
New nicotine products	1	1	2	
Heated tobacco products	0	1	1	
Vapour products	0	1	1	

onomic indicator	Production	Wholesale, distribution and retail	Total	Charts
		and retail		Jobs (workers)
Employment by contribution type	1,696	8,401	10,098	JODS (WOIKEIS)
across all product categories)		5 000	5 000	Induced
Direct	0	5,399	5,399	2,532
Indirect	646	1,521	2,167	
Induced	1,050	1,482	2,532	Direct Indirect 5,399 2,167
Employment by product category	1,696	8,401	10,098	
direct, indirect and induced)				
Traditional tobacco products	1,546	8,104	9,650	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	1,224 49	6,426 804	7,650 853	448
Fine-cut tobacco	204	837	1,042	
Other tobacco products	69	37	105	Traditional tobacco products 9,650
New nicotine products	151	298	448	9,030
Heated tobacco products	71	78	150	
Vapour products	62	209	270	
Nicotine pouches	18	11	28	0% 20% 40% 60% 80% 10
Sales activity by contribution type	469	2,714	3,182	Sales activity (€ millions)
across all product categories, in € millions)		· ·		Induced 566
Direct	0	2,002	2,002	500
Indirect	233	381	614	
Induced	236	330	566	Direct Indirect 2,002 614
ales activity by product category direct, indirect and induced, in € millions)	469	2,714	3,182	
Traditional tobacco products	430	2,626	3,057	New nicotine products
Cigarettes	349	2,078	2,427	125
Cigars, cigarillos and smoking tobacco	13	272	285	
Fine-cut tobacco	53	267	320	Traditional tobacco products
Other tobacco products	15	10	24	3,057
New nicotine products	38	87	125	
Heated tobacco products	17	19	36	
Vapour products	17	66	82	
Nicotine pouches	4	3	7	0% 20% 40% 60% 80% 100
				CDB contribution (6 millions)
GDP by contribution type	190	2,115	2,305	GDP contribution (€ millions)
across all product categories, in € millions)		_,	_,	Indirect
Direct	0	1,784	1,784	251
Indirect	78	173	251	
Induced	112	157	269	Direct 1,784
DP by product category	190	2,115	2,305	Induced
direct, indirect and induced, in € millions) Traditional tobacco products	474	0.050	0.000	269
Traditional tobacco products Cigarettes	174 142	2,056 1,623	2,230 1,765	
Cigarenes Cigars, cigarillos and smoking tobacco	6	224	229	
Fine-cut tobacco	22	206	223	Traditional tobacco products
Other tobacco products	5	4	9	2,230
New nicotine products	16	59	75	
Heated tobacco products	7	8	16	New nicotine products
Vapour products	7	50	56	
Nicotine pouches	2	1	3	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Vages by contribution type	95	345	439	
across all product categories, in € millions)				Induced
Direct	0	190	190	125
Indirect	42	82	124	
Induced	52	73	125	Direct Indirect
Vages by product category lirect, indirect and induced, in € millions)	95	345	439	190 124
Traditional tobacco products	87	331	418	New nicotine products
Cigarettes	71	263	334	21
Cigars, cigarillos and smoking tobacco	3	32	34	
Fine-cut tobacco Other tobacco products	10 2	35 2	45 4	Traditional tobacco products
	8	13	21	418
New nicotine products Heated tobacco products	8 4	13	21	
Vapour products	4	9	12	

Production	Wholesale, distribution	Total	Charts
	and retail		
20.113	92.037	112.150	Jobs (workers)
	,	,	Induced
541	56,305	56,846	32,397
6,146	16,762	22,907	
13,427	18,970	32,397	Direct Indirect 56,846 22,907
20,113	92,037	112,150	50,840 22,907
			New nicotine products
			8,350
230	263	493	Traditional tobacco products 103,800
1 724	6 626	8 350	103,800
690	5,408	6,097	
78	92	171	0% 20% 40% 60% 80% 10
4,562	30.501	35,062	Sales activity (€ millions)
		,	Induced 6,446
228	23,433	23,662	6,446
1,650	3,306	4,955	
2,684	3,762	6,446	Direct Indirect 23,662 4,955
4,562	30,501	35,062	
4 193	28 331	32 524	New nicotine products
			2,538
136	1,086	1,222	
491	4,932	5,423	Traditional tobacco products
43	53	96	32,524
368	2.170	2.538	
204	261	465	
149	1,891	2,039	
16	18	34	0% 20% 40% 60% 80% 100
			GDP contribution (€ millions)
2,057	24,943	27,000	, , ,
,		,	Indirect
61	21,440	21,501	2,260
647	1,612	2,260	
1,349	1,890	3,239	Direct 21,501
2,057	24,943	27,000	Induced
1.888	23.185	25.072	3,239
1,578	18,159	19,737	
64	892	957	
			Traditional tobacco products
			25,072
169	1,758	1,928	New nicotine products
			1,928
7	1,593	1,003	0% 20% 40% 60% 80% 10
1.084	3.792	4.876	Wages (€ millions)
1,004	0,102	-,010	Induced
35	1,931	1,966	1,601
383	927	1,309	
666	934	1,601	Direct Indirect
1,084	3,792	4,876	1,966 1,309
994	3,517	4,511	New nicotine products
835	2,786	3,621	365
34	133	168	
114 10	584 13	698 23	Traditional tobacco products
		23	
10	10		4,511
90	275	365	4,511
			4,511
	20,113 541 6,146 13,427 20,113 18,389 15,206 632 2,320 230 1,724 957 690 78 4,562 2,28 1,650 2,684 4,562 4,193 3,523 136 4,562 4,193 3,523 136 4,917 1,650 2,684 4,562 4,193 3,523 136 4,917 1,650 2,057 61 647 1,349 2,057 61 647 1,349 2,057 61 647 1,349 2,057 61 647 1,349 2,057 1,888 1,578 626 200 169 93 69 7 1,084 35 383 666 1,084 994 835 34	Production and retail 20,113 92,037 541 56,305 6,146 16,762 13,427 18,970 20,113 92,037 18,389 85,412 15,206 67,481 6,622 3,250 2,320 14,418 230 263 1,724 6,626 957 1,125 690 5,408 92 23,433 1,650 3,306 2,684 3,762 4,562 30,501 2,884 3,762 4,562 30,501 4,562 30,501 4,932 23,331 3,523 22,260 1,086 1,086 4,932 23 43 53 368 2,170 204 267 1,891 1,890 2,057 24,943 1,890 1,891 1,578<	Production and retail 1 total 20,113 92,037 112,150 541 16,762 22,907 13,427 18,970 32,397 20,113 92,037 112,150 8,389 85,412 103,800 6,326 6,7461 82,667 6,320 3,250 3,863 2,300 14,418 16,732 2,300 1,724 6,626 957 7,125 2,062 6,626 3,350 4,933 1,724 6,626 3,366 957 7,125 2,062 6,697 92 777 4,562 30,501 35,062 2,684 3,762 6,446 4,552 30,501 35,062 1,833 2,627 5,423 4,933 2,2,833 2,622 1,650 3,306 4,955 1,650 3,306 1,222 4,933 2,624 2,578

conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
				Jobs (workers)
Employment by contribution type	94,160	259,385	353,544	JODS (WOIKEIS)
across all product categories)	5.044	470.005	404 000	Induced 53,527
Direct Indirect	5,841 66,153	176,085 51,939	181,926 118,092	53,527
Induced	22,165	31,361	53,527	Direct Indirect
madoca	22,100	51,001	00,021	181,926 118,092
Employment by product category direct, indirect and induced)	94,160	259,385	353,544	
Traditional tobacco products	89,469	244,408	333,878	New nicotine products
Cigarettes	66,558	196,413	262,971	19,667
Cigars, cigarillos and smoking tobacco	1,200	9,768	10,968	
Fine-cut tobacco Other tobacco products	21,181 530	37,765 462	58,946 992	Traditional tobacco products
·				333,878
New nicotine products	4,690	14,977	19,667	
Heated tobacco products Vapour products	2,903 1,604	8,580 6,155	11,483 7,759	
Nicotine pouches	183	242	425	0% 20% 40% 60% 80% 10
	04 500	10 100	=0.000	Sales activity (€ millions)
Sales activity by contribution type across all product categories, in € millions)	24,566	46,120	70,686	Induced
Direct	8,602	32,239	40,841	8,925
Indirect	12,248	8,672	20,920	
Induced	3,716	5,209	8,925	Direct Indirect
Sales activity by product category	24,566	46,120	70,686	40,841 20,920
direct, indirect and induced, in € millions)	1,000	40,120	10,000	
Traditional tobacco products	23,618	43,460	67,078	New nicotine products
Cigarettes	18,032	34,925	52,957	3,608
Cigars, cigarillos and smoking tobacco	239	1,737	1,976	
Fine-cut tobacco Other tobacco products	5,268 79	6,718 79	11,986 158	Traditional tobacco products
				67,078
New nicotine products	948	2,660	3,608	
Heated tobacco products Vapour products	617 300	1,525 1,093	2,142 1,393	
Nicotine pouches	31	42	73	0% 20% 40% 60% 80% 100
				GDP contribution (€ millions)
GDP by contribution type	9,016	34,046	43,062	Obricontribution (cinimions)
across all product categories, in € millions)				Indirect
Direct	1,938	26,936	28,873	9,783
Indirect	5,244	4,540	9,783	Direct
Induced	1,834	2,571	4,405	Direct 28,873
GDP by product category direct, indirect and induced, in € millions)	9,016	34,046	43,062	Induced
Traditional tobacco products	8,633	32,135	40,767	4,405
Cigarettes	6,616	25,782	32,397	
Cigars, cigarillos and smoking tobacco	107	1,292	1,400	
Fine-cut tobacco Other tobacco products	1,875 35	5,022 38	6,898 73	Traditional tobacco products
				40,767
New nicotine products	383	1,911	2,294	New nicotine products
Heated tobacco products Vapour products	236 134	1,101 786	1,337 920	2,294
Nicotine pouches	13	24	37	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Nages by contribution type	5,331	7,975	13,306	wayes (c minons)
across all product categories, in € millions)	0,001	.,	,	Induced
Direct	1,484	4,571	6,055	2,177
Indirect	2,940	2,133	5,074	
Induced	907	1,271	2,177	Direct Indirect
Vages by product category direct, indirect and induced, in € millions)	5,331	7,975	13,306	6,055 5,074
Traditional tobacco products	5,105	7,502	12,607	New nicotine products
Cigarettes	4,007	6,039	10,046	699
Cigars, cigarillos and smoking tobacco	60	298	358	
Fine-cut tobacco Other tobacco products	1,021 18	1,145 19	2,166 37	Traditional tobacco products
				12,607
New nicotine products	226	474	699	
Heated tobacco products Vapour products	143 76	270 194	413 270	

conomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail	i otai	
Employment by contribution type	9,614	25,827	35,441	Jobs (workers)
(across all product categories)	3,014	20,027	00,441	Induced
Direct	1,773	20,718	22,491	4,493
Indirect	5,949	2,508	8,457	
Induced	1,892	2,600	4,493	Direct Indirect
				22,491 8,457
Employment by product category	9,614	25,827	35,441	
(direct, indirect and induced)				
Traditional tobacco products	5,808	22,250	28,057	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	5,470	16,645	22,115	7,384
Fine-cut tobacco	65 249	1,080 4,490	1,145 4,739	
Other tobacco products	24	34	58	Traditional tobacco products
No		0.577		28,057
New nicotine products Heated tobacco products	3,807 3,724	3,577 2,440	7,384 6,163	
Vapour products	75	1,125	1,200	
Nicotine pouches	8	12	20	0% 20% 40% 60% 80% 10
				0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	1,854	4,859	6,713	
across all product categories, in € millions)				Induced 622
Direct	806	4,006	4,812	022
Indirect	789	490	1,279	
Induced	259	363	622	Direct Indirect 4,812 1,279
Salaa aativity by product astagony	1,854	4 950	6,713	4,012 1,210
Sales activity by product category direct, indirect and induced, in € millions)	1,054	4,859	0,715	
Traditional tobacco products	1,145	4,178	5,323	New nicotine products
Cigarettes	1,097	3,116	4,213	1,390
Cigars, cigarillos and smoking tobacco	9	204	214	
Fine-cut tobacco	35	853	888	Traditional tobacco products
Other tobacco products	3	5	8	5,323
New nicotine products	709	681	1,390	
Heated tobacco products	697	466	1,163	
Vapour products	10	213	224	
Nicotine pouches	1	2	3	0% 20% 40% 60% 80% 100
CDD by contribution type	790	4.076	4 966	GDP contribution (€ millions)
GDP by contribution type across all product categories, in € millions)	790	4,076	4,866	Indirect
Direct	231	3,537	3.768	748
Indirect	413	335	748	
Induced	146	205	351	Direct
maaca	140	200	551	3,768
GDP by product category	790	4,076	4,866	
direct, indirect and induced, in € millions)	500	2,400	4 00 4	Induced 351
Traditional tobacco products	506 480	3,498 2,600	4,004 3,080	
Cigarettes Cigars, cigarillos and smoking tobacco	400	2,000	3,080	
Fine-cut tobacco	5 19	723	742	Traditional tabases and usta
Other tobacco products	2	3	4	Traditional tobacco products 4,004
		F70	000	
New nicotine products	284 278	578 397	863 675	New nicotine products
Heated tobacco products Vapour products	278 6	397 180	675 186	863
Nicotine pouches	1	1	2	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Wages by contribution type	301	471	771	
across all product categories, in € millions)				Induced
Direct	109	337	446	104
Indirect	149	72 61	221	Direct
Induced	43	וס	104	Direct Indirect 446 221
Nages by product category	301	471	771	
direct, indirect and induced, in € millions)				
Traditional tobacco products	184	406	590	New nicotine products
Cigarettes	176	305	481	181
Cigars, cigarillos and smoking tobacco	2	20	21	
Fine-cut tobacco Other tobacco products	6	81 1	87 1	Traditional tobacco products
				590
New nicotine products	117	64	181	
Heated tobacco products	115	44	159	
Vapour products Nicotine pouches	2	20	22	
	0	0	0	0% 20% 40% 60% 80% 10

conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
		and retain		Jobs (workers)
Employment by contribution type	18,966	45,118	64,084	
(across all product categories)				Induced
Direct	5,907	33,854	39,761	5,550
Indirect	10,744	8,030	18,774	
Induced	2,315	3,234	5,550	Direct Indirect 39,761 18,774
Employment by product category (direct, indirect and induced)	18,966	45,118	64,084	
Traditional tobacco products	16,707	39,108	55,814	New nicotine products
Cigarettes	4,828	28,045	32,873	8,270
Cigars, cigarillos and smoking tobacco	3,202	1,778	4,980	
Fine-cut tobacco Other tobacco products	8,624 53	9,223 62	17,847 115	Traditional tobacco products
				55,814
New nicotine products	2,259	6,010	8,270 5,754	
Heated tobacco products Vapour products	311 1,560	5,443 520	2,080	
Nicotine pouches	388	47	436	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	1,812	3,150	4,962	Induced
(across all product categories, in € millions) Direct	682	2,406	3,089	358
Indirect	980	2,400	1,515	
Induced	149	209	358	Direct Indirect
	140	200		3,089 1,515
Sales activity by product category (direct, indirect and induced, in € millions)	1,812	3,150	4,962	
Traditional tobacco products	1,609	2,731	4,340	New nicotine products
Cigarettes	458	1,961	2,419	622
Cigars, cigarillos and smoking tobacco	395	124	519	
Fine-cut tobacco	753	641	1,395	Traditional tobacco products
Other tobacco products	3	4	7	4,340
New nicotine products	202	419	622	
Heated tobacco products	26	380	406	
Vapour products Nicotine pouches	137 40	36 3	173 43	0% 20% 40% 60% 80% 100
Nicoline pouches	40	5	45	
				GDP contribution (€ millions)
GDP by contribution type	580	2,343	2,923	
(across all product categories, in € millions)				Indirect 629
Direct	144	2,003	2,147	029
Indirect	374	254	629	Direct
Induced	61	86	147	2,147
GDP by product category /direct, indirect and induced, in € millions)	580	2,343	2,923	Induced
Traditional tobacco products	515	2,025	2,540	147
Cigarettes	164	1,438	1,602	
Cigars, cigarillos and smoking tobacco	122	93	215	
Fine-cut tobacco Other tobacco products	229	491 2	720 3	Traditional tobacco products
				2,540
New nicotine products	64	319	383	New nicotine products
Heated tobacco products Vapour products	9 43	292 24	302 68	New nicotine products 383
Nicotine pouches	12	24 2	14	0% 20% 40% 60% 80% 10
Wages by contribution type	275	414	689	Wages (€ millions)
(across all product categories, in € millions)	215	414	505	Induced
Direct	86	263	349	68
Indirect	161	111	272	
Induced	28	39	68	Direct Indirect
Wages by product category	275	414	689	349 272
(direct, indirect and induced, in € millions)	215		503	
Traditional tobacco products	242	360	602	New nicotine products
Cigarettes	76	260	337	87
Cigars, cigarillos and smoking tobacco	64	16	80	
Fine-cut tobacco Other tobacco products	101 1	83 1	184 1	Traditional tobacco products
				602
New nicotine products	33	54	87	
Heated tobacco products	4	49	53	
Vapour products	23	5	28	

conomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail		
Employment by contribution type	1,981	8,955	10,935	Jobs (workers)
across all product categories)	.,	-,	,	Induced
Direct	572	6,949	7,521	1,945
Indirect	603	866	1,470	
Induced	806	1,139	1,945	Direct Indirect
				7,521 1,470
Employment by product category	1,981	8,955	10,935	
direct, indirect and induced)	4 000	0.000		
Traditional tobacco products	1,862	8,382	10,245	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	1,663 38	6,958 133	8,621 170	691
Fine-cut tobacco	144	1,274	1,418	
Other tobacco products	18	18	35	Traditional tobacco products
New all stine and looks	440	570	CO4	10,245
New nicotine products Heated tobacco products	118 66	573 61	691 127	
Vapour products	46	505	552	
Nicotine pouches	6	7	12	0% 20% 40% 60% 80% 10
···· • , ··· • ·				0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	818	3,003	3,821	Induced
across all product categories, in € millions)	074	2,400	0 700	493
Direct	371	2,409	2,780	
Indirect	242	306	547	Direct Indirect
Induced	205	288	493	Direct Indirect 2,780 547
Sales activity by product category	818	3,003	3,821	
direct, indirect and induced, in € millions)		.,	- , -	
Traditional tobacco products	783	2,812	3,595	New nicotine products
Cigarettes	724	2,333	3,057	226
Cigars, cigarillos and smoking tobacco	11	43	54	
Fine-cut tobacco	43	431	474	Traditional tobacco products
Other tobacco products	4	5	9	3,595
New nicotine products	35	191	226	
Heated tobacco products	19	17	36	
Vapour products	14	172	186	
Nicotine pouches	2	2	3	0% 20% 40% 60% 80% 10
				GDP contribution (€ millions)
GDP by contribution type	309	2,440	2,749	
across all product categories, in € millions)		, -	, -	Indirect
Direct	109	2,151	2,259	251
Indirect	101	150	251	
Induced	99	139	239	Direct 2,259
SDP by product category	309	2,440	2,749	
direct, indirect and induced, in € millions)				Induced 239
Traditional tobacco products	293	2,287	2,581	200
Cigarettes	268	1,899	2,166	
Cigars, cigarillos and smoking tobacco	5	32	37	
Fine-cut tobacco Other tobacco products	19 2	355 2	374 4	Traditional tobacco products
				2,581
New nicotine products	15	153	168	New nicotine products
Heated tobacco products	8	8	16	168
Vapour products Nicotine pouches	6 1	144 1	150 2	0% 20% 40% 60% 80% 10
			000	Wages (€ millions)
Vages by contribution type across all product categories, in € millions)	96	286	382	
Direct	25	188	214	Induced 85
Indirect	35	48	214 84	85
Induced	35	48 50	85	Direct Indirect
			00	214 84
Vages by product category	96	286	382	
direct, indirect and induced, in € millions)				
Traditional tobacco products	90	268	358	New nicotine products
Cigarettes	82	222	304	24
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	2	5 40	6 46	
Other tobacco products	1	40 1	46 1	Traditional tobacco products
New nicotine products	5	19	24	358
Heated tobacco products	3	3	24 6	
Vapour products	2	16	18	

onomia indiactor	Denduced	Wholesale, distribution	T-4-1	Oberte
conomic indicator	Production	and retail	Total	Charts
	20 507	80.240	400 747	Jobs (workers)
Employment by contribution type (across all product categories)	20,507	89,210	109,717	
Direct	1,351	55,144	56,495	Induced 27,611
Indirect	7,607	18,005	25,612	
Induced	11,549	16,062	27,611	Direct Indirect
	,		,	56,495 25,612
Employment by product category	20,507	89,210	109,717	
(direct, indirect and induced)				
Traditional tobacco products	13,199	76,620	89,819	New nicotine products
Cigarettes	10,857	67,250	78,107	19,898
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	472 1,700	2,321 6,832	2,793 8,531	
Other tobacco products	170	218	388	Traditional tobacco products
March 1 and 1 and 1 and 1		40 504	40.000	89,819
New nicotine products Heated tobacco products	7,308 6,726	12,591 9,145	19,898 15,871	
Vapour products	522	3,348	3,869	
Nicotine pouches	61	98	158	0% 20% 40% 60% 80% 100
				078 2078 4078 0078 0078 100
				Sales activity (€ millions)
Sales activity by contribution type	5,279	30,214	35,493	Induced
(across all product categories, in € millions)	000	00.076	00 000	5,916
Direct	822	22,276	23,098	
Indirect	1,994	4,486	6,480	Direct Indirect
Induced	2,463	3,453	5,916	23,098 6,480
Sales activity by product category	5,279	30,214	35,493	
(direct, indirect and induced, in € millions)				Name and a stress of the stres
Traditional tobacco products	3,055	25,787	28,843	New nicotine products 6,650
Cigarettes	2,534	22,769	25,303	0,000
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	108 378	767 2,204	875 2,582	
Other tobacco products	35	47	82	Traditional tobacco products 28,843
		4.407		20,040
New nicotine products Heated tobacco products	2,224 2,093	4,427 3,259	6,650 5,352	
Vapour products	2,093	1,144	1,261	
Nicotine pouches	13	24	37	0% 20% 40% 60% 80% 1009
GDP by contribution type	2,119	23,638	25,757	GDP contribution (€ millions)
(across all product categories, in € millions)	2,119	23,030	25,757	Indirect
Direct	153	19.611	19,764	3,071
Indirect	749	2,321	3,071	
Induced	1,217	1,705	2,922	Direct 19,764
CDP by product estagory	2,119	23,638	25,757	19,704
GDP by product category (direct, indirect and induced, in € millions)				Induced 2,922
Traditional tobacco products	1,396	20,085	21,481	2,922
Cigarettes	1,157 50	17,807 590	18,965 639	
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	50 173	590 1,665	639 1,838	Tablicastas
Other tobacco products	16	23	39	Traditional tobacco products 21,481
New piectine products	723	2 552	4 076	
New nicotine products Heated tobacco products	663	3,553 2,638	4,276 3,301	New nicotine products
Vapour products	54	2,038	955	4,276
Nicotine pouches	6	14	20	0% 20% 40% 60% 80% 100
				Worges (6 millione)
Wages by contribution type	892	3,068	3,960	Wages (€ millions)
(across all product categories, in € millions)	032	3,000	3,900	
Direct	101	1,674	1,776	Induced 1,066
Indirect	347	772	1,119	1,000
Induced	444	622	1,066	Direct Indirect
				1,776 1,119
Wages by product category	892	3,068	3,960	
(direct, indirect and induced, in € millions)			o 400	
Traditional tobacco products	546	2,642	3,188	New nicotine products 773
Cigarettes	455 20	2,314 81	2,768 100	113
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	66	239	305	
Other tobacco products	6	8	15	Traditional tobacco products
New nicotine products		407	770	3,188
	346	427	773	
		200	620	
Heated tobacco products Vapour products	322 22	308 115	630 136	

conomic indicator	Production	Wholesale, distribution	Total	Charts
	Floduction	and retail	i otai	Charts
	4 400	0.470	40 570	Jobs (workers)
Employment by contribution type (across all product categories)	1,100	9,470	10,570	a second s
Direct	0	7,497	7,497	Induced 1,129
Indirect	626	1,319	1,945	
Induced	475	654	1,129	Direct Indirect
				7,497 1,945
Employment by product category	1,100	9,470	10,570	
(direct, indirect and induced)				
Traditional tobacco products	1,026	7,896	8,922	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	866 25	6,958 460	7,824 485	1,648
Fine-cut tobacco	101	464	565	
Other tobacco products	33	14	47	Traditional tobacco products 8,922
New nicotine products	74	1,574	1,648	0,022
Heated tobacco products	32	1,212	1,244	
Vapour products	33	358	391	
Nicotine pouches	9	4	13	0% 20% 40% 60% 80% 10
Sales activity by contribution type	99	703	802	Sales activity (€ millions)
Sales activity by contribution type across all product categories, in € millions)	33	/03	802	Induced
Direct	0	535	535	80
Indirect	66	121	187	
Induced	33	47	80	Direct Indirect
				535 187
Sales activity by product category	99	703	802	
direct, indirect and induced, in € millions)				
Traditional tobacco products	94	586	680	New nicotine products 123
Cigarettes	82	517	598	123
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	2	34 34	36 42	
Other tobacco products	2	1	3	Traditional tobacco products
				680
New nicotine products	6	117	123	
Heated tobacco products Vapour products	2	90 27	92 29	
Nicotine pouches	1	0	1	0% 20% 40% 60% 80% 100
				GDP contribution (€ millions)
GDP by contribution type	37	538	575	handler at the stars of
across all product categories, in € millions) Direct	0	463	463	Indirect 78
Indirect	22	463	463 78	
Induced	15	21	35	Direct
Induced	15	21	35	463
GDP by product category	37	538	575	Induced
direct, indirect and induced, in € millions)		447	400	35
Traditional tobacco products Cigarettes	35 30	447 395	482 425	
Cigarenes Cigars, cigarillos and smoking tobacco	1	26	425 27	
Fine-cut tobacco	3	25	28	Traditional tobacco products
Other tobacco products	1	0	1	482
New nicotine products	2	91	94	
Heated tobacco products	1	71	72	New nicotine products
Vapour products	1	20	21	94
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Nages by contribution type	17	105	123	
across all product categories, in € millions)				Induced
Direct	0	76	76	15
Indirect	11	21	32	
Induced	6	9	15	Direct Indirect
Wages by product category	17	105	123	76 32
direct, indirect and induced, in € millions)		105	125	
Traditional tobacco products	16	88	104	New nicotine products
Cigarettes	14	78	92	18
Cigars, cigarillos and smoking tobacco	0	5	5	
Fine-cut tobacco Other tobacco products	1 0	5 0	7 0	Traditional tobacco products
ourier tobacco products	U	U	U	104
New nicotine products	1	17	18	
Heated tobacco products	0	13	14	
Vapour products	0	4	4	
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10

conomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail		
Employment by contribution type	10,703	7,765	18,467	Jobs (workers)
(across all product categories)	10,700	1,100	10,407	Induced
Direct	4,079	5,903	9,982	1,681
Indirect	5,920	884	6,805	
Induced	703	978	1,681	Direct Indirect
-	40 700	7 705	40.407	9,982 6,805
Employment by product category (direct, indirect and induced)	10,703	7,765	18,467	
Traditional tobacco products	10,569	6,285	16,855	New nicotine products
Cigarettes	10,309	5,694	16,004	1,613
Cigars, cigarillos and smoking tobacco	47	336	383	
Fine-cut tobacco Other tobacco products	176 37	236 19	412 56	Traditional tobacco products
				16,855
New nicotine products	133	1,479	1,613	
Heated tobacco products Vapour products	51 72	1,281 192	1,332 264	
Nicotine pouches	11	6	17	
				0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	1,527	784	2,311	Induced
across all product categories, in € millions) Direct	884	646	1 520	115
Direct Indirect	884 594	646 71	1,530 665	
Induced	48	67	115	Direct Indirect
induced	-0	07	115	1,530 665
Sales activity by product category	1,527	784	2,311	
direct, indirect and induced, in € millions)			,	
Traditional tobacco products	1,516	631	2,146	New nicotine products 164
Cigarettes	1,495	574	2,070	164
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	4 14	34 21	39 35	
Other tobacco products	2	1	4	Traditional tobacco products
				2,146
New nicotine products Heated tobacco products	11 4	154 134	164 138	
Vapour products	6	134	25	
Nicotine pouches	1	0	1	0% 20% 40% 60% 80% 100
CDB by contribution type	590	676	1,266	GDP contribution (€ millions)
GDP by contribution type across all product categories, in € millions)	590	070	1,200	Indirect
Direct	280	604	883	325
Indirect	286	39	325	
Induced	24	34	58	Direct 883
			(000
GDP by product category direct, indirect and induced, in € millions)	590	676	1,266	Induced
Traditional tobacco products	585	540	1,125	58
Cigarettes	576	494	1,071	
Cigars, cigarillos and smoking tobacco	2	30	32	
Fine-cut tobacco Other tobacco products	6 1	14 1	21 2	Traditional tobacco products
				1,125
New nicotine products	5	137	141	Now pipoting the dust
Heated tobacco products Vapour products	23	120 16	122 19	New nicotine products 141
Nicotine pouches	0	0	19	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Wages by contribution type	264	92	356	
across all product categories, in € millions) Direct	131	66	197	Induced 23
Indirect	131	13	197	23
Induced	9	13	23	Direct Indirect
				197 137
Nages by product category	264	92	356	
direct, indirect and induced, in € millions)	000	75		
Traditional tobacco products Cigarettes	262 259	75 68	337 327	New nicotine products 19
Cigarettes Cigars, cigarillos and smoking tobacco	259	68 4	327	13
Fine-cut tobacco	2	3	5	
Other tobacco products	0	0	1	Traditional tobacco products 337
New nicotine products	2	17	19	
Heated tobacco products	1	15	16	
Vapour products	1	2	3	
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10

conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
		and retain		Jobs (workers)
Employment by contribution type	369	2,605	2,974	
(across all product categories)				Induced
Direct	0	1,601	1,601	378
Indirect	210	785	995	
Induced	159	219	378	Direct Indirect 1,601 995
Employment by product category	369	2,605	2,974	1,001 355
(direct, indirect and induced)	505	2,005	2,314	
Traditional tobacco products	335	2,570	2,905	New nicotine products
Cigarettes	262	2,347	2,610	69
Cigars, cigarillos and smoking tobacco	9	62	71	
Fine-cut tobacco	57 6	155 5	212 12	Traditional tobacco products
Other tobacco products	0	5	12	2,905
New nicotine products	34	35	69	
Heated tobacco products	19	19	37	
Vapour products	13	14 2	28	
Nicotine pouches	2	2	4	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	184	1,902	2,086	
across all product categories, in € millions)				Induced 184
Direct	0	1,455	1,455	
Indirect	107	339	446	Direct
Induced	77	108	184	Direct Indirect 1,455 446
Sales activity by product category	184	1,902	2,086	
direct, indirect and induced, in € millions)				New nicotine products
Traditional tobacco products	167	1,883	2,050	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	136 5	1,730 44	1,866 49	
Fine-cut tobacco	24	106	130	
Other tobacco products	2	3	5	Traditional tobacco products 2.050
New righting products	17	19	36	2,000
New nicotine products Heated tobacco products	10	19 10	36 20	
Vapour products	6	8	14	
Nicotine pouches	1	1	2	0% 20% 40% 60% 80% 100
GDP by contribution type	52	1,152	1,204	GDP contribution (€ millions)
across all product categories, in € millions)	52	1,132	1,204	Indirect
Direct	0	1,019	1,019	131
Indirect	29	102	131	
Induced	22	31	54	Direct 1,019
GDP by product category	52	1,152	1,204	1,010
direct, indirect and induced, in € millions)	52	1,132	1,204	Induced
Traditional tobacco products	47	1,147	1,194	54
Cigarettes	38	1,062	1,100	
Cigars, cigarillos and smoking tobacco	1	26	27	
Fine-cut tobacco Other tobacco products	7	58 1	65 1	Traditional tobacco products
				1,194
New nicotine products	4	5	9	New nicotine products
Heated tobacco products Vapour products	2	3	5	New nicotine products
Vapour products Nicotine pouches	0	2 0	4 0	0% 20% 40% 60% 80% 10
			400	Wages (€ millions)
Nages by contribution type	28	140	168	
across all product categories, in € millions) Direct	0	71	71	Induced 26
Indirect	17	53	70	20
Induced	11	15	26	Direct Indirect
				71 70
Nages by product category	28	140	168	
direct, indirect and induced, in € millions)				
Traditional tobacco products	25	137	163	New nicotine products
Cigarettes	21	124 3	145	5
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	1 4	3	4 13	
Other tobacco products	4 0	9 0	13	Traditional tobacco products
	_	_	-	163
New nicotine products Heated tobacco products	2	3	5 3	
Vapour products	1	1	3	
Nicotine pouches	0	0	0	0% 20% 40% 60% 80% 10

onomic indicator	Production	Wholesale, distribution	Total	Charts
onomic indicator	Production	and retail	Totai	Charts
Employment by contribution type	166	2,898	3,063	Jobs (workers)
across all product categories)	100	2,090	3,063	Induced
Direct	0	2,390	2,390	266
Indirect	54	353	407	
Induced	112	154	266	Direct Indirect
				2,390 407
Employment by product category	166	2,898	3,063	
direct, indirect and induced)				
Traditional tobacco products	148	2,878	3,026	New nicotine products
Cigarettes	122	2,481	2,603	37
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	5 17	53 340	57 357	
Other tobacco products	5	5	9	Traditional tobacco products
				3,026
New nicotine products Heated tobacco products	17 10	20 11	37 21	
Vapour products	6	7	13	
Nicotine pouches	1	1	3	
			0	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	31	358	389	Induced
across all product categories, in € millions)	_	000	000	42
Direct	0	268	268	
Indirect	13	65	78	Discust. In discust.
Induced	17	25	42	Direct Indirect 268 78
				200
Sales activity by product category	31	358	389	
direct, indirect and induced, in € millions)				New nicotine products
Traditional tobacco products	28	354	382	New nicoune products
Cigarettes Cigars, cigarillos and smoking tobacco	23 1	305 7	328 7	
Fine-cut tobacco	3	42	45	
Other tobacco products	1	1	2	Traditional tobacco products
				382
New nicotine products	3	4	7	
Heated tobacco products	2	2	4	
Vapour products	1 0	1 0	2 0	0% 20% 40% 60% 80% 10
Nicotine pouches	0	0	υ	0% 20% 40% 60% 80% 10
				GDP contribution (€ millions)
GDP by contribution type	9	248	257	
across all product categories, in € millions)				Indirect
Direct	0	220	220	23
Indirect	3	20	23	
Induced	6	8	13	Direct 220
GDP by product category	9	248	257	
direct, indirect and induced, in € millions)				Induced 13
Traditional tobacco products	8	247	255	13
Cigarettes	7	213	220	
Cigars, cigarillos and smoking tobacco	0	4	5	
Fine-cut tobacco Other tobacco products	1	29 0	30 0	Traditional tobacco products
Caron lobacco producio	U	v		255
New nicotine products	1	1	2	
Heated tobacco products	0	1	1	New nicotine products
Vapour products	0	0	1 0	0% 20% 40% 60% 80% 10
Nicotine pouches	0	0	0	
				Wages (€ millions)
Nages by contribution type	4	52	57	
across all product categories, in € millions)				Induced
Direct	0	40	40	6
Indirect	2	9	11	
Induced	3	4	6	Direct Indirect
Nama human da 1 d				40 11
Wages by product category	4	52	57	
direct, indirect and induced, in € millions)			=0	
Traditional tobacco products	4	52	56	New nicotine products
Cigarettes	3	45 1	48 1	
Cigars cigarillos and smoking tobacco	0	6	7	
Cigars, cigarillos and smoking tobacco Fine-cut tobacco				
Cigars, cigarillos and smoking tobacco Fine-cut tobacco Other tobacco products	0	0	0	Traditional tobacco products
Fine-cut tobacco Other tobacco products	0	0		Traditional tobacco products 56
Fine-cut tobacco Other tobacco products New nicotine products	0 0	0 0	1	
Fine-cut tobacco Other tobacco products	0	0		

conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
		anu retaii		Jobs (workers)
Employment by contribution type	15,838	34,563	50,401	
(across all product categories)				Induced
Direct	713	24,620	25,333	9,414
Indirect	11,302	4,352	15,654	
Induced	3,824	5,591	9,414	Direct Indirect 25,333 15,654
Employment by product category (direct, indirect and induced)	15,838	34,563	50,401	
Traditional tobacco products	13,510	32,309	45,819	New nicotine products
Cigarettes	9,927	23,467	33,394	4,582
Cigars, cigarillos and smoking tobacco	203	1,260	1,463	
Fine-cut tobacco Other tobacco products	3,267 113	7,496 86	10,764 199	Traditional tobacco products
Other tobacco products	113	00	199	45,819
New nicotine products	2,328	2,254	4,582	
Heated tobacco products	659	735	1,395	
Vapour products Nicotine pouches	1,632 36	1,196 323	2,828 359	
Nicourie pouches	50	525	309	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	7,671	8,162	15,834	
(across all product categories, in € millions)	2.050	E 04E	0 070	2,002
Direct Indirect	3,058	5,815	8,873 4,958	
	3,780 834	1,179	,	Direct Indirect
Induced	834	1,169	2,002	8,873 4,958
Sales activity by product category (direct, indirect and induced, in € millions)	7,671	8,162	15,834	
Traditional tobacco products	6,461	7,632	14,093	New nicotine products
Cigarettes	4,777	5,534	10,311	1,740
Cigars, cigarillos and smoking tobacco	54	298	352	
Fine-cut tobacco	1,606 24	1,781 19	3,388 42	Traditional tobacco products
Other tobacco products	24	19	42	14,093
New nicotine products	1,210	530	1,740	
Heated tobacco products	269	171	440	
Vapour products	932	282 77	1,215 85	0% 20% 40% 60% 80% 100
Nicotine pouches	9	11	65	0% 20% 40% 60% 80% 100
				GDP contribution (€ millions)
GDP by contribution type	2,460	6,385	8,845	
across all product categories, in € millions)				Indirect 1,969
Direct	658	5,292	5,951	1,969
Indirect	1,417	552	1,969	Direct
Induced	385	540	926	Direct 5,951
GDP by product category direct, indirect and induced, in € millions)	2,460	6,385	8,845	Induced
Traditional tobacco products	2,087	5,980	8,068	926
Cigarettes	1,557	4,275	5,831	
Cigars, cigarillos and smoking tobacco	23	236	259	
Fine-cut tobacco Other tobacco products	498 10	1,462	1,959 18	Traditional tobacco products
		8	18	8,068
New nicotine products	373	405	778	KI
Heated tobacco products	85	119	205	New nicotine products 778
Vapour products Nicotine pouches	284 4	222 64	506 67	0% 20% 40% 60% 80% 10
Wages by contribution type	1,167	4 055	2,222	Wages (€ millions)
Wages by contribution type across all product categories, in € millions)	1,10/	1,055	2,222	
Direct	313	543	856	Induced 446
Indirect	668	252	920	
Induced	186	260	446	Direct Indirect
				856 920
Wages by product category	1,167	1,055	2,222	
direct, indirect and induced, in € millions)	980	984	1,964	Now pleating and during
Traditional tobacco products Cigarettes	980 754	984 730	1,964 <i>1,485</i>	New nicotine products 258
Cigarenes Cigars, cigarillos and smoking tobacco	12	38	50	
Fine-cut tobacco	210	211	421	
Other tobacco products	4	4	9	Traditional tobacco products 1,964
New nicotine products	187	71	258	1,504
Heated tobacco products	44	26	70	
Vapour products	141	36	178	

conomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail		
Employment by contribution type	144,378	94,808	239,186	Jobs (workers)
(across all product categories)				Induced
Direct	16,890	65,645	82,535	19,765
Indirect	119,172	17,714	136,886	
Induced	8,316	11,449	19,765	Direct Indirect 82,535 136,886
Employment by product category (direct, indirect and induced)	144,378	94,808	239,186	
Traditional tobacco products	134,433	81,877	216,310	New nicotine products
Cigarettes	121,377	75,314	196,691	22,876
Cigars, cigarillos and smoking tobacco	4,482	722 5,655	5,203 13,995	
Fine-cut tobacco Other tobacco products	8,341 234	5,655	420	Traditional tobacco products
New nicotine products	9,945	12,931	22,876	216,310
Heated tobacco products	1,282	5,498	6,780	
Vapour products	8,481	7,343	15,824	
Nicotine pouches	182	90	272	0% 20% 40% 60% 80% 100
Sales activity by contribution type	28,837	12,172	41,009	Sales activity (€ millions)
(across all product categories, in € millions)		,	.,	Induced
Direct	12,458	9,582	22,040	1,667
Indirect	15,685	1,617	17,301	
Induced	694	973	1,667	Direct Indirect 22,040 17,301
Sales activity by product category (direct, indirect and induced, in € millions)	28,837	12,172	41,009	
Traditional tobacco products	27,143	10,475	37,618	New nicotine products
Cigarettes	24,870	9.697	34,567	3,391
Cigars, cigarillos and smoking tobacco	937	75	1,011	
Fine-cut tobacco Other tobacco products	1,320 17	687 16	2,007 33	Traditional tobacco products
·				37,618
New nicotine products	1,694	1,697	3,391	
Heated tobacco products Vapour products	173 1,497	715 974	888 2,470	
Nicotine pouches	24	974 9	33	0% 20% 40% 60% 80% 100
	0.040	0.700	48.090	GDP contribution (€ millions)
GDP by contribution type (across all product categories, in € millions)	9,212	9,769	18,980	Indirect
Direct	2,629	8,651	11,281	6,981
Indirect	6,283	698	6,981	
Induced	299	419	719	Direct 11,281
GDP by product category direct, indirect and induced, in € millions)	9,212	9,769	18,980	Induced
Traditional tobacco products	8,647	8,377	17,024	719
Cigarettes	7,893	7,804	15,697	
Cigars, cigarillos and smoking tobacco	310	45	356	
Fine-cut tobacco Other tobacco products	437 7	521 7	958 14	Traditional tobacco products
				17,024
New nicotine products Heated tobacco products	565 58	1,391 580	1,956 638	New nicotine products
Vapour products	499	806	1,305	1,956
Nicotine pouches	8	5	13	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Wages by contribution type	3,837	935	4,773	
across all product categories, in € millions)				Induced
Direct	1,396	517	1,914	265
Indirect	2,330	263	2,594	
Induced	110	155	265	Direct Indirect 1.914 2.594
Nages by product category direct, indirect and induced, in € millions)	3,837	935	4,773	1,914 2,594
Traditional tobacco products	3,592	811	4,403	New nicotine products
Cigarettes	3,300	741	4,040	369
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	132 158	9 59	141 217	
Other tobacco products	2	3	5	Traditional tobacco products 4,403
New nicotine products	245	124	369	4,403
Heated tobacco products	25	53	78	
Vapour products	217	70	287	
Nicotine pouches	3	1	4	0% 20% 40% 60% 80% 100

18,439 5,368 10,429 2,642 18,439 18,164 77,627	and retail 23,103 15,902 3,539 3,662 23,103	41,543 21,271 13,969	Jobs (workers)
5,368 10,429 2,642 18,439 18,164	15,902 3,539 3,662	21,271	Induced
5,368 10,429 2,642 18,439 18,164	15,902 3,539 3,662	21,271	
10,429 2,642 18,439 18,164	3,539 3,662		6,304
2,642 18,439 18,164	3,662	13,969	
18,439 18,164			
18,164	23,103	6,304	Direct Indirect 21,271 13,969
18,164	23,103	41,543	21,271 13,909
		41,545	
	20,162	38,326	New nicotine products
	17,924	35,552	3,217
132	781	913	
366	1,408	1,774 88	Traditional tobacco products
50	50	00	38,326
276	2,941	3,217	
10		50	0% 20% 40% 60% 80% 100
			Sales activity (€ millions)
3,122	3,383	6,505	
			Induced 631
1,409	2,647	4,056	031
,			Direct
263	368	631	Direct Indirect 4,056 1,817
3,122	3,383	6.505	
0,122	0,000	0,000	
3,092	2,942	6,035	New nicotine products
3,035	2,629	5,664	470
15	114	129	
			Traditional tobacco products
-	5	3	6,035
29	441	470	
12	105	3	0% 20% 40% 60% 80% 100
			GDP contribution (€ millions)
1,025	2,779	3,803	
000	0.444	0.700	Indirect 787
			Direct
129	101	310	2,706
1,025	2,779	3,803	
	0.400	a 400	Induced 310
	149	167	Traditional tobacco products
2	2	4	3,420
13	370	384	
7	284	291	New nicotine products
5	86	91	384
1	1	1	0% 20% 40% 60% 80% 10
			Wages (€ millions)
499	394	893	mages (e millions)
-100	007		Induced
167	237	404	132
277	80	357	
55	77	132	Direct Indirect
400	204	902	404 357
433	394	023	
493	344	838	New nicotine products
482	305	787	55
3	13	16	
8		33	Traditional tobacco products
			838
6	49	55	
3	36	40	
			0% 20% 40% 60% 80% 100
	151 111 13 3,122 1,409 1,449 263 3,035 15 39 4 29 16 12 1 1 22 1 1 1,025 292 604 129 1,025	38 50 276 $2,941$ 151 $2,202$ 111 722 13 17 $3,122$ $3,383$ $1,409$ $2,647$ $1,449$ 368 263 368 $3,122$ $3,383$ $3,092$ $2,942$ $3,035$ $2,629$ 15 114 39 194 4 5 29 441 16 334 12 105 1 2 $1,025$ $2,779$ 292 $2,414$ 604 184 129 181 $1,025$ $2,779$ $1,011$ $2,409$ 985 $2,163$ 6 94 167 237 7 224 5 86 1 167 277 80 55 77 499 394 462 305 3 324 482 305 3 313 370 55 77 499 394 493 344 482 305 3 313 36 25 1 1 6 496 3 313	38 50 88 276 2,941 3,217 151 2,202 2,333 173 177 30 3,122 3,383 6,505 1,409 2,647 4,056 1,449 368 1,817 263 368 6,505 3,092 2,942 6,035 3,035 2,629 5,664 15 114 233 4 5 9 29 441 470 16 334 360 12 105 1177 1 2 3 1,025 2,779 3,803 1,025 2,779 3,803 1,025 2,779 3,803 1,011 2,409 3,420 995 2,163 3,148 101 2,409 3,420 9965 2,163 3,148 11 1 167 2<

conomic indicator	Production	Wholesale, distribution and retail	Total	Charts
		anu retair		lobs (workers)
Employment by contribution type	50,854	109,911	160,765	Jobs (workers)
(across all product categories)	,		,	Induced
Direct	10,683	81,243	91,926	10,124
Indirect	35,911	22,803	58,715	
Induced	4,259	5,865	10,124	Direct Indirect
				91,926 58,715
Employment by product category	50,854	109,911	160,765	
(direct, indirect and induced)				
Traditional tobacco products	46,006	102,849	148,855	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	44,755 266	99,797 1,540	144,552 1,806	11,910
Fine-cut tobacco	915	1,428	2,342	
Other tobacco products	70	84	154	Traditional tobacco products
Nove all office and deste	4.040	7.000	44.040	148,855
New nicotine products Heated tobacco products	4,848 4,558	7,062 5,323	11,910 9.881	
Vapour products	4,558	1,691	1,946	
Nicotine pouches	35	48	83	
				0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	5,251	6,915	12,166	Induced
across all product categories, in € millions)	0.475	E 070	7 740	578
Direct	2,475	5,270	7,746	
Indirect	2,535	1,308	3,842	Direct Indirect
Induced	241	337	578	Direct Indirect 7,746 3,842
Sales activity by product category	5,251	6,915	12,166	
direct, indirect and induced, in € millions)	0,201	0,010	12,100	
Traditional tobacco products	4,822	6,471	11,293	New nicotine products
Cigarettes	4,747	6,284	11,031	873
Cigars, cigarillos and smoking tobacco	17	96	113	
Fine-cut tobacco	54	86	140	Traditional tobacco products
Other tobacco products	4	5	9	11,293
New nicotine products	429	444	873	
Heated tobacco products	412	335	747	
Vapour products	15	106	121	
Nicotine pouches	2	3	5	0% 20% 40% 60% 80% 100
GDP by contribution type	1,979	5,094	7,073	GDP contribution (€ millions)
across all product categories, in € millions)	1,010	0,004	1,010	Indirect
Direct	802	4,338	5,140	1,671
Indirect	1,068	603	1,671	
Induced	109	153	262	Direct
				5,140
GDP by product category	1,979	5,094	7,073	Induced
direct, indirect and induced, in € millions)	4 904	4 770	6 604	262
Traditional tobacco products	1,821	4,770	6,591	
Cigarettes Cigars, cigarillos and smoking tobacco	1,789 7	4,650 68	6,439 76	
Fine-cut tobacco	23	49	70	Traditional takense mediat
Other tobacco products	2	2	4	Traditional tobacco products 6,591
No				
New nicotine products	158	325	483	New nicotine products
Heated tobacco products Vapour products	151 7	247 76	398 82	483
Nicotine pouches	1	2	2	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Nages by contribution type across all product categories, in € millions)	583	771	1,355	
across all product categories, in € millions) Direct	144	506	650	Induced 84
Indirect	405	216	621	84
Induced	405	49	84	Direct
Induced	30	43	04	Direct Indirect 650 621
Nages by product category	583	771	1,355	
direct, indirect and induced, in € millions)			,	
Traditional tobacco products	534	721	1,256	New nicotine products
Cigarettes	524	698	1,222	99
Cigars, cigarillos and smoking tobacco	2	11	13	
Fine-cut tobacco	7	11	19	Traditional tobacco products
Other tobacco products	1	1	1	1,256
New nicotine products	49	50	99	
Heated tobacco products	47	37	84	
Vapour products Nicotine pouches	2	12	14	
	0	0	1	0% 20% 40% 60% 80% 10

onomic indicator	Production	Wholesale, distribution	Total	Charts
		and retail		
Employment by contribution type	3,571	15,281	18,852	Jobs (workers)
across all product categories)	-,	,	,	Induced
Direct	443	10,127	10,570	2,594
Indirect	2,037	3,651	5,688	
Induced	1,090	1,503	2,594	Direct Indirect
				10,570 5,688
Employment by product category	3,571	15,281	18,852	
direct, indirect and induced)				
Traditional tobacco products	3,360	13,494	16,855	New nicotine products
Cigarettes Cigars, cigarillos and smoking tobacco	2,852 107	11,711 995	14,563 1,102	1,997
Fine-cut tobacco	382	657	1,039	
Other tobacco products	20	131	151	Traditional tobacco products
New all stine and deate	040	4 707	4 007	16,855
New nicotine products Heated tobacco products	210 89	1,787 <i>1,449</i>	1,997 1,537	
Vapour products	108	240	349	
Nicotine pouches	13	98	111	0% 20% 40% 60% 80% 10
				0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	450	2,160	2,610	Induced
across all product categories, in € millions)	40	4 604	1 650	298
Direct	48	1,604	1,652	
Indirect	278	382	660	Direct
Induced	124	174	298	Direct Indirect 1,652 660
Sales activity by product category	450	2,160	2,610	
direct, indirect and induced, in € millions)		, , , , , , , , , , , , , , , , , , ,		
Traditional tobacco products	425	1,906	2,331	New nicotine products
Cigarettes	363	1,656	2,019	280
Cigars, cigarillos and smoking tobacco	14	143	157	
Fine-cut tobacco	46	89	135	Traditional tobacco products
Other tobacco products	2	18	20	2,331
New nicotine products	25	254	280	
Heated tobacco products	11	207	218	
Vapour products	13	33	46	
Nicotine pouches	1	14	15	0% 20% 40% 60% 80% 100
GDP by contribution type	174	1,620	1,794	GDP contribution (€ millions)
across all product categories, in € millions)		1,020	1,104	Indirect
Direct	13	1,382	1,394	287
Indirect	114	173	287	
Induced	47	66	113	Direct
				1,394
GDP by product category direct, indirect and induced, in € millions)	174	1,620	1,794	Induced
Traditional tobacco products	164	1,427	1,590	113
Cigarettes	139	1,243	1,383	
Cigars, cigarillos and smoking tobacco	6	111	117	
Fine-cut tobacco	18	59	77	Traditional tobacco products
Other tobacco products	1	14	14	1,590
New nicotine products	10	194	204	
Heated tobacco products	4	161	164	New nicotine products
Vapour products	6	22	28	204
Nicotine pouches	1	11	11	0% 20% 40% 60% 80% 10
				Wages (€ millions)
Nages by contribution type	65	223	288	112ges (C minoris)
across all product categories, in € millions)		220	200	Induced
Direct	6	134	141	Induced 43
Indirect	41	64	105	
Induced	18	25	43	Direct Indirect
				141 105
Nages by product category	65	223	288	
direct, indirect and induced, in € millions)				
Traditional tobacco products	62	197	259	New nicotine products 30
Cigarettes	53 2	171 14	224	30
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	2 6	14 10	16 16	
Other tobacco products	0	2	2	Traditional tobacco products
Now piectine products		26	20	259
New nicotine products Heated tobacco products	4 2	26 21	30 22	
	2 Z	21	22	
Vapour products	2	4	6	

onomic indicator	Production	Wholesale, distribution and retail	Total	Charts
		and retail		
Employment by contribution type	771	5,931	6,702	Jobs (workers)
across all product categories)		0,001	0,702	Induced
Direct	0	3,786	3,786	994
Indirect	353	1,569	1,922	
Induced	418	576	994	Direct Indirect
				3,786 1,922
Employment by product category	771	5,931	6,702	
direct, indirect and induced)				
Traditional tobacco products	688	5,571	6,259	New nicotine products
Cigarettes	551	4,939	5,489	443
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	27 102	321 303	348 405	
Other tobacco products	8	9	17	Traditional tobacco products
				6,259
New nicotine products	83	360	443	
Heated tobacco products Vapour products	47 32	308 49	355 80	
Nicotine pouches	4	49 4	8	
			°,	0% 20% 40% 60% 80% 10
				Sales activity (€ millions)
Sales activity by contribution type	106	1,048	1,154	Induced
across all product categories, in € millions) Direct	0	805	805	118
	-			
Indirect	57	175	232	Direct Indirect
Induced	49	69	118	Direct Indirect 805 232
Sales activity by product category	106	1,048	1,154	
direct, indirect and induced, in € millions)	100	1,040	1,104	
Traditional tobacco products	94	986	1,080	New nicotine products
Cigarettes	77	877	954	74
Cigars, cigarillos and smoking tobacco	4	58	62	
Fine-cut tobacco	13	50	63	Traditional tobacco products
Other tobacco products	1	1	2	1,080
New nicotine products	11	62	74	
Heated tobacco products	7	55	61	
Vapour products	4	7	12	
Nicotine pouches	0	0	1	0% 20% 40% 60% 80% 10
GDP by contribution type	44	812	857	GDP contribution (€ millions)
across all product categories, in € millions)		0.2		Indirect
Direct	0	695	695	108
Indirect	22	86	108	
Induced	22	31	53	Direct 695
		040	0.57	660
GDP by product category direct, indirect and induced, in € millions)	44	812	857	Induced
Traditional tobacco products	40	765	805	53
Cigarettes	32	682	714	
Cigars, cigarillos and smoking tobacco	2	46	47	
Fine-cut tobacco	5 0	37 0	42 1	Traditional tobacco products
Other tobacco products	U	0	1	805
New nicotine products	5	47	52	.
Heated tobacco products	3	43	45	New nicotine products
Vapour products	2	5	7	0% 20% 40% 60% 80% 10
Nicotine pouches	0	0	0	
				Wages (€ millions)
Vages by contribution type	24	145	169	- 、 /
across all product categories, in € millions)				Induced
Direct	0	85	85	27
Indirect	13	44	57	
Induced	11	16	27	Direct Indirect
Nages by product category	24	145	169	85 57
Nages by product category direct, indirect and induced, in € millions)	24	145	103	
Traditional tobacco products	22	136	158	New nicotine products
Cigarettes	18	121	139	11
Cigarenes Cigars, cigarillos and smoking tobacco	18	8	9	
Fine-cut tobacco	3	8	10	
Other tobacco products	0	0	0	Traditional tobacco products 158
New nicotine products	3	9	11	100
New nicotine products Heated tobacco products	3	8	11	
	1		2	
Vapour products	1	1	2	

	_	Wholesale, distribution		. .
conomic indicator	Production	and retail	Total	Charts
			/	Jobs (workers)
Employment by contribution type	19,389	50,781	70,169	
across all product categories)	979	25.069	26.047	Induced 25,737
Direct		25,068	26,047	25,737
Indirect	7,674	10,710	18,385	Disset
Induced	10,735	15,002	25,737	Direct Indirect 26,047 18,385
Employment by product category direct, indirect and induced)	19,389	50,781	70,169	
Traditional tobacco products	18,244	48,416	66,660	Novy mighting much into
Cigarettes	12,599	40,578	53,177	New nicotine products 3,510
Cigars, cigarillos and smoking tobacco	4,028	2,023	6,051	
Fine-cut tobacco	1,469	5,615	7,084	The dB could be been superiored
Other tobacco products	148	200	348	Traditional tobacco products 66,660
New nicotine products	1,145	2,365	3,510	
Heated tobacco products	637	1,076	1,712	
Vapour products	456	1,219	1,676	
Nicotine pouches	52	70	122	0% 20% 40% 60% 80% 10
Sales activity by contribution type	3,955	16,281	20,237	Sales activity (€ millions)
across all product categories, in € millions)	5,000	.0,201		Induced
Direct	745	12,118	12,863	3,863
Indirect	1,602	1,909	3,511	
Induced	1,609	2,255	3,863	Direct Indirect 12,863 3,511
ales activity by product category	3,955	16,281	20,237	
direct, indirect and induced, in € millions)		45.005	40.400	New nicotine products
Traditional tobacco products	3,773	15,665	19,438	799
Cigarettes	2,395	13,188	15,583	
Cigars, cigarillos and smoking tobacco	1,126	675	1,801	
Fine-cut tobacco Other tobacco products	230 22	1,771 30	2,001 52	Traditional tobacco products
Other lobacco products	22	30	52	19,438
New nicotine products	182	617	799	
Heated tobacco products	102	256	359	
Vapour products	72	350	422	
Nicotine pouches	8	11	18	0% 20% 40% 60% 80% 10
				CDD contribution (6 millions)
GDP by contribution type	1,587	13,136	14,723	GDP contribution (€ millions)
across all product categories, in € millions)	.,	,	,. ==	Indirect
Direct	162	11,003	11,165	1,612
Indirect	615	997	1,612	
Induced	811	1,136	1,947	Direct 11,165
SDP by product category	1,587	13,136	14,723	11,105
direct, indirect and induced, in € millions)				Induced 1,947
Traditional tobacco products	1,502	12,681	14,182	1,947
Cigarettes	1,006	10,692	11,698	
Cigars, cigarillos and smoking tobacco Fine-cut tobacco	375 109	553 1,421	928 1,530	Traditional test
Other tobacco products	109	1,421	25	Traditional tobacco products 14,182
New nicotine products	86	456 180	541	New nicotine products
Heated tobacco products Vapour products	47 35	180 270	228 305	541
Nicotine pouches	4	5	9	0% 20% 40% 60% 80% 10
Vages by contribution type	742	2,178	2,921	Wages (€ millions)
across all product categories, in € millions)	142	2,170	2,321	
Direct	87	1,291	1,379	Induced 859
Indirect	297	386	682	839
Induced	358	502	859	Direct Indirect
				1,379 682
Vages by product category direct, indirect and induced, in € millions)	742	2,178	2,921	
Traditional tobacco products	703	2,085	2,788	New nicotine products
	466			133
Cigarettes Cigars, cigarillos and smoking tobacco	466 183	1,751 88	2,217 271	133
Fine-cut tobacco	183	239	271 288	
Other tobacco products	49 5	239	200 11	Traditional tobacco products
				2,788
New nicotine products	39	94	133	
Heated tobacco products	22	41	63	
Vapour products	16 2	50	66 4	0% 20% 40% 60% 80% 10
Nicotine pouches		2		

Direct Indicat	conomic indicator	Production	Wholesale, distribution	Total	Charts
Employment by contribution type across all product category induced 7.288 21,284 22,891 40000 Direct induced 4563 32,894 15,001 10000 10000 Direct induced 2,0851 12,824 22,851 10000 10000 Employment by product category induced 7,288 21,294 25,511 100000 100000 100000 100000 100000 100000 100000 100000 100000 100000 1000000 1000000 1000000 1000000 1000000 1000000 1000000 1000000 10000000000 10000000000000 1000000000			and retail		
Actions and product category Res Construction Construction <thconstru< td=""><td>Employment by contribution type</td><td>7.288</td><td>21.294</td><td>28.581</td><td>Jobs (workers)</td></thconstru<>	Employment by contribution type	7.288	21.294	28.581	Jobs (workers)
Direct Indiact BA7 (2) 11,754 (2) 15,661 (2),864 10,754 (2),754 15,661 (2),864 0,007 (2),754 4,979 4,979 Indiacd Indiacd Indiacd Control social Control soci	(across all product categories)	,	, -	- ,	Induced
Induced 2.005 2.844 4.973 Provid Provid <td>Direct</td> <td>847</td> <td>14,754</td> <td>15,601</td> <td></td>	Direct	847	14,754	15,601	
Employment by product category direct, induced mediated, and making theses approximation of the second operations of the second approximation of th	Indirect			8,002	
Employment by product category (inter, interes and induced) (inter, interes and induced) (interes and induced)	Induced	2,085	2,894	4,979	
direct, nimeter and induced) New microtree products 2.517 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02 17.02	Employment by product category	7 299	21 204	28 584	15,601 8,002
Traditional tobacco products 6,311 18,824 25,155 Main model and model phases Main model and model phases Ciperities 21,22 6,630 4,643 6,630 1,111 Diver indexes products 37,77 2,463 3,447 21,25		7,200	21,234	20,501	
Cogenes 2.577 12.072 17.595 0 3.447 Open regulation of moning focusors 3.272 4.693 <		6.311	18.824	25.135	New picotine products
Time chaster (Dimensional products (Dimensional products) (Dimensional products) (Dimensional products) (Dimensional products) (Dimensional products) (Dimensional products) (Dimensional products) (Dimensional product category (Dimensional Dimensional Dimensio					
Other blocksep products 3.2.72 5.6.90 6.8.93 Teallocation listence products New nichting products 977 2.468 9.00 0.00					
Constructions products Construction Con					Traditional tobacco products
Header backcols products 177 897 897 898 Weaking product data 173 499 808 New income products 173 499 808 Indicine product data product categories, in C millions) 1,846 4,504 6,350 Direct 304 800 1,714 Indicated 304 800 1,714 Sales activity by product category 1,846 4,504 6,350 Coperation 677 2,877 3,263 Coperation 677 2,877 3,222 Coperation 777 1,907 3,985 Coperation 677 2,877 3,223 Coperation 777 1,90 1,939 Coperation 777 2,977 3,239 Coperation 777 2,977 3,239 Coperation 777 2,977 3,239 Coperation 777 2,172 3,899 Coperation 777 3,172 3,899	Other lobacco products	5,212	3,000	0,095	
Values products 133 777 1149 1.465 000 700 0000 0000 0000 0000					
Modifie pouchs 777 1.149 1.859 0% 20% 40% 60% 20% 40% 60% 20% 40% 60% 20% 40%					
Sales activity by contribution type across all product categories, in € millions) 1.846 4.504 6.350 Sales activity (€ millions) 3ales activity by product category indext, indext and induced, in emillions) 178 2.975 3.453 Sales activity by product category indext, indext and induced, in emillions) 18.466 4.504 6.350 1113 Cigardia Cigardia Cigardia Cigardia Cigardia Soles activity by product category Other biasco products 18.70 3.885 5.555 Cigardia Cigardia Cigardia Soles activity by product category Other biasco products 275 520 755 New nothing products 275 520 755 755 New nothing products 275 520 755 New nothing products 275 520 755 Sole activity by contribution type across all product category indiced 277 3,172 3,899 DP by contribution type across all product category indiced 727 3,172 3,899 0% DP contribution type across all product category indiced 277 3,172 3,899 0% 0% 0% 0% DP contribution type across all produc					
Sales activity by contribution type across all product actegories, in 6 millions) 1,846 4,504 6,350 1<	Nicoline pouches	107	1,145	1,000	0% 20% 40% 60% 80% 10
Across all product categories, in € millions) Arrow					Sales activity (€ millions)
Date of Automatics 478 2.075 3.453 1.113 Induced 463 650 1.754 1.113 Sales activity by product category (control dece), in c millions) 1.570 3.885 5.555 Cigareties 6.77 2.257 3.228 1.570 3.285 Cigareties 6.77 2.257 3.228 1.570 3.285 1.555 1.570 3.285 1.555 1.570 3.285 1.556 1.570 1.228 1.570 1.228 1.572 1.228 1.572 1.228 1.572 1.228 1.572 1.228 1.572 1.228 1.572 1.572 1.228 1.572 </td <td></td> <td>1,846</td> <td>4,504</td> <td>6,350</td> <td>, , , , , , , , , , , , , , , , , , ,</td>		1,846	4,504	6,350	, , , , , , , , , , , , , , , , , , ,
Indirect Induced 904 (ass) 880 (50) 17.84 (1.11) Direct (3.33) Induced (3.43) Sales activity by product category direct, indirect and induced, in < millions)		470	2.075	2 152	
Induced 463 650 1,113 Deet reduct Sales activity by product category (drawning charce) 1,846 4,504 6,350 Traditional tobacco products 1,570 3,885 5,555 Cigarentes 6,77 2,257 7,328 Cigarentes 7,73 1,180 1,933 1,180 Cigarentes 2,267 7,328 1,113 New income products Cigarentes 2,267 7,328 1,933 1,100 New income products 2,36 600 2,22 1,113 1,933 New income products 2,32 1,000 2,54 1,000 1,000 SDP by contribution type across product category (reduct adegories, in € millions) 7,77 3,172 3,899 0% 2,544 Direct 133 2,431 2,544 0% 0% 2,544 Direct 336 4,279 3,423 2,544 0% Direct 366 7,77 3,172 3,899 0% 0% Direct 1,13 2,431 2,544 0% 0% 0% 0% Direct 366 7,77 3,172 3,899 1,146 1,146 Direct </td <td></td> <td>-</td> <td>· · · · · · · · · · · · · · · · · · ·</td> <td></td> <td></td>		-	· · · · · · · · · · · · · · · · · · ·		
Addition Addition Addition Addition Addition Additional control 1,846 4,504 6,350 6,350 Cigens, cigenitis and smaking tobacco Cigens, cigenitis and smaking tobacco Prime-tutobacco Differ tobacco products 6,77 2,557 5,258 Cigens, cigenitis and smaking tobacco Prime-tutobacco Differ tobacco Differ tobacco products 773 1,160 1933 New incictine products 276 520 795 Other tobacco Differ tobacco products 276 520 795 New incictine products 233 100 133 0% 20% 4.0% 6.0% 80% 10 DDP top contribution type scress all product categories, in 6 millions) 727 3,172 3,899 1% Differ, Lindiced, in cimilons) 727 3,172 3,899 1% 1% Differ, Lindiced, in cimilons) 727 3,172 3,899 1% 1% Differ, Lindiced, in cimilons) 727 3,172 3,899 1% 1% Commission and smaking tobacco Products 624 2,799 3,423 1% 1%					Direct Indirect
direct, indirect and induced, in c millions) 1,570 3,985 5,555 3,225 7,257 2,544 100 100 100 100 2,544 100 <	Induced	403	050	1,113	
Traditional tobacco products 1,570 (Gyardite The cut bases (Gyardite Cigarities, cigarilis and smining tobacco The out bases products 1,570 (25) (25) (10) 3,885 (25) (10) 5,255 (26) (140) 3,286 (25) (140) 5,256 (26) (24) 1,1570 (26) (24) New ministry tobacco (25) New ministry tobacco (26) New ministry toba		1,846	4,504	6,350	
Cograntiant 1 4 2,557 3,228 1 716 Cograntiant 2 5 1,704 4,24 1,844 1,843 1,844 1,944		4 570	2.005		New nicotine products
Cigar. cigarilize and smoking tobacco 25 107 132 Thread tobacco products 101 400 242 Other tobacco products 276 520 795 New nicotine products 23 100 121 Vipour products 23 100 121 Vipour products 23 100 123 Nicotine products 23 100 123 Vipour product 239 450 0% 20% 40% 60% 80% 100 DDP by contribution type across all product categories, in 6 millions) 113 2.431 2.544 809 100 <td></td> <td></td> <td></td> <td></td> <td></td>					
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Other tobacco products 773 1.180 1.933 Mead tobacco products 923 New nicotine products 32 100 733 00 733 Nucline products 32 100 733 005 205 405 005 205 405 005 205 405 005 205 405 005 205 405 005 205 405 005 205 405 005 205 405 005 205 405 805 100 SDP by contribution type across all product categories, in € millions) 113 2.431 2.544 809 106 2.544 809 106 2.544 809 106 2.544 809 106 2.544 809 106 2.544 809 106 2.544 106 2.544 106 2.544 106 106 2.54 106 106 106 106 106 106 106 106 106 106 106 106 106					
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Vagour products 33 211 239 450 0% 20% 40% 60% 80% 100 GDP by contribution type across all product categories, in € millions) 727 3,172 3,899 30 0% 20% 40% 60% 80% 100 Direct Indirect 113 2,431 2,544 2,544 809 101 101 809 101 101 809 101 101 101 101 101 101 101					
Nicotine pouches 211 239 450 0% 20% 40% 60% 80% 100 GDP by contribution type across all product categories, in € millions) Induced 113 2,431 2,544 6DP 90% 20% 40% 6DP 90% 100 Induced 227 319 546 909 100 909 100 909 100 909 100					
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direct, indirect and induced, in € millions) 624 2,799 3,423 Cigarettes 309 1,757 2,067 Cigarettes 12 73 85 Other tobacco products 257 889 1,146 New nicotine products 102 374 476 Heated tobacco products 15 126 141 Vapour products 15 68 83 Nicotine poducts 15 68 83 Nicotine poducts 15 68 93 Now nicotine products 15 68 83 Nicotine poducts 15 68 93 Note nicotine products 15 68 93 Nicotine poducts 15 68 93 Nicotine poduct categories, in € millions) 61 644 705 Direct 61 644 705 Induced 107 151 258 Vages by product category 357 993 1,349 Vages by product category 357 993 1,349 Induced 107 151 258 Vages by product category 357 993 1,349 Vages by product category 154	Induced	227	319	546	
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Cigarettes 309 1,757 2,067 Cigars, cigarillos and smoking tobacco 12 73 85 Pine-cut blacco 46 79 125 Other tobacco products 257 889 1,146 New nicotine products 15 126 141 Heated tobacco products 15 68 83 Nicotine pouches 72 179 252 0% 20% 40% 60% 80% 10 Direct 61 644 705 141 140 140 258 Induced 107 151 258 258 26 26 24 30 386 705 386 165 719 265 719 265 719 386 165 165 165 114 165 1185 1185 185 185 <td>direct, indirect and induced, in € millions)</td> <td></td> <td></td> <td></td> <td></td>	direct, indirect and induced, in € millions)				
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Heated tobacco products 15 15 126 141 New nicotine products 476 Vapour products 15 68 83 0% 20% 40% 60% 80% 10 Nicotine pouches 72 179 252 0% 20% 40% 60% 80% 10 Vages by contribution type across all product categories, in € millions) 61 644 705 1349 164 258 164 258 164 258 164 258 164 258 164 258 164 258 164 258 164 258 164 258 164 258 164 258 164 258 164 258 164 258 165 164 258 165 164 258 165 164 258 165	Other tobacco products	257	889	1,146	
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Wages by contribution type across all product categories, in € millions) 357 993 1,349 Direct 61 644 705 Induced 258 Indirect 188 198 386 Direct 107 151 258 Direct 258 Indirect 386 Induced 107 151 258 Direct 705 386 258 Vages by product category direct, indirect and induced, in € millions) 357 993 1,349 New nicotine products 386 Cigareties 154 565 719 New nicotine products 165 Cigare, cigarillos and smoking tobacco 6 24 30 155 Other tobacco products 125 258 383 Traditional tobacco products 185 New nicotine products 125 258 383 1.185 1.185 1.185 New nicotine products 70 40 47 185 1.185 1.185					Waαes (€ millions)
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Nages by product category direct, indirect and induced, in € millions)3579931,349705386Traditional tobacco products3068781,185New nicotine productsCigarettes154565719165Cigars, cigarillos and smoking tobacco62430Fine-cut tobacco223253165Other tobacco products125258383Traditional tobacco productsNew nicotine products50114165Heated tobacco products74047Vapour products822301	Indirect	188	198		
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Heated tobacco products 7 40 47 Vapour products 8 22 30	New nicotine products	50	114	165	
Nicotine pouches 35 52 88 0% 20% 40% 60% 80% 10					

Appendix B: Excise tax and VAT assumptions

Directive 2011/64.EU requires EU-27 member states to levy excise duties on tobacco products as follows:

- **Cigarettes**: a specific component between 7.5% and 76% of the total tax burden, expressed as a fixed amount per 1,000 cigarettes plus an ad valorem component expressed as a percentage of the maximum retail selling price. The overall excise must be at least €90 per 1,000 cigarettes and be at least 60% of the weighted average retail selling price. Countries that apply an excise duty of €115 or higher are not required to comply with the 60% criterion
- Cigars and Cigarillos: 5% of the retail selling price or €12 per 1,000 items or per kilogram
- Fine-cut tobacco: 50% of weighted average retail selling price or €60 per kilogram
- Other smoking tobaccos: 20% of retail selling price or €22 per kilogram

In addition, value added taxes (VAT), which differ by country (ranging from 14.5% to 21.2%), are applied on top of the excise duties.

The following table summarises the taxes that were assessed by country during 2021 and calculates the pretax value of tobacco sales and the effective tax rate levied on tobacco products. For the aggregate EU-27, the effective tax rate was 71.6% of the tax included retail selling price (TIRSP).

Summary of trad	itional tobacco	and new nicotine	e product taxe	s by country, 2	2021 (millions o	of Euros)
Country	Product sales (TIRSP)	Excise taxes	VAT	Total taxes	Pre-tax value of products	Taxes (% of TIRSP)
Austria	€ 3,679B	€ 2,052B	€ 613B	€ 2,666B	€ 1,013B	72.5%
Belgium	€ 4,368B	€ 2,442B	€ 758B	€ 3,200B	€ 1,167B	73.3%
Bulgaria	€ 1,901B	€ 1,442B	€ 317B	€ 1,759B	€ 143B	92.5%
Croatia	€ 1,402B	€ 774B	€ 280B	€ 1,054B	€ 347B	75.2%
Cyprus	€ 536B	€ 161B	€ 86B	€ 247B	€ 289B	46.0%
Czech Republic	€ 4,632B	€ 2,431B	€ 804B	€ 3,235B	€ 1,397B	69.8%
Denmark	€ 2,030B	€ 1,239B	€ 406B	€ 1,645B	€ 385B	81.0%
Estonia	€ 323B	€ 236B	€ 54B	€ 290B	€ 33B	89.8%
Finland	€ 2,002B	€ 1,113B	€ 387B	€ 1,500B	€ 502B	74.9%
France	€ 23,494B	€ 14,287B	€ 3,917B	€ 18,204B	€ 5,291B	77.5%
Germany	€ 32,271B	€ 15,698B	€ 5,154B	€ 20,852B	€ 11,419B	64.6%
Greece	€ 4,028B	€ 2,169B	€ 779B	€ 2,948B	€ 1,080B	73.2%
Hungary	€ 2,440B	€ 1,103B	€ 519B	€ 1,622B	€ 818B	66.5%
Ireland	€ 2,409B	€ 1,338B	€ 418B	€ 1,757B	€ 652B	72.9%
Italy	€ 22,397B	€ 11,550B	€ 4,038B	€ 15,588B	€ 6,809B	69.6%
Latvia	€ 543B	€ 242B	€ 94B	€ 337B	€ 207B	62.0%
Lithuania	€ 666B	€ 347B	€ 116B	€ 463B	€ 203B	69.5%
Luxembourg	€ 1,455B	€ 702B	€ 211B	€ 913B	€ 542B	62.7%
Malta	€ 268B	€ 93B	€ 41B	€ 134B	€ 134B	50.0%
Netherlands	€ 5,822B	€ 3,314B	€ 1,011B	€ 4,324B	€ 1,497B	74.3%
Poland	€ 9,617B	€ 5,087B	€ 1,798B	€ 6,885B	€ 2,732B	71.6%
Portugal	€ 2,663B	€ 1,455B	€ 498B	€ 1,953B	€710B	73.3%
Romania	€ 5,283B	€ 3,030B	€ 844B	€ 3,873B	€ 1,410B	73.3%
Slovakia	€ 1,617B	€ 806B	€ 270B	€ 1,075B	€ 542B	66.5%
Slovenia	€ 807B	€ 410B	€ 146B	€ 555B	€ 252B	68.8%
Spain	€ 12,139B	€ 6,681B	€ 2,107B	€ 8,789B	€ 3,351B	72.4%
Sweden	€ 2,978B	€ 892B	€ 596B	€ 1,488B	€ 1,490B	50.0%
EU-27	€ 151,773B	€ 81,096B	€ 26,262B	€ 107,358B	€ 44,415B	70.7%

Source: S&P Global Market Intelligence

Appendix C: Economic contribution analysis methodology

Economic contribution analysis methodology

The findings and insights presented in this report are the result of a top-down macro analysis of how the production, distribution and selling of traditional tobacco and new nicotine products contribute to the economies of EU-27 member states. Industry-standard input-output (I-O) modelling techniques were used to trace how direct production and sales activities lead to follow-on supply chain and consumer activities, all of which stimulate economic contributions that accrue across the EU-27. Similar to dual entry accounting, I-O models link buying activities with selling activities both within and across industry sectors. As such, these models trace the flow of money through an economy, from an initial purchase through follow-on spending on inputs across supply and service networks. I-O techniques were originally pioneered by economist Wassily Leontief in the 1930s, ultimately earning him the 1973 Nobel Prize in Economics.

S&P Global applied these techniques to build economic impact models that were focused on two main links of the traditional tobacco and new nicotine products value chains. The first model focused on the production link, directly capturing the economic contributions associated with the manufacturing of traditional tobacco and new nicotine products while indirectly capturing the economic contributions generated by the sourcing of manufacturing inputs, such as raw tobacco, filters and so on. The second model focused on the sales link, directly capturing the economic contributions stimulated by consumer spending on traditional tobacco and new nicotine products while indirectly capturing the economic contributions from the associated wholesale and distribution activities.

The model inputs for the sales link analysis were created by first combining product category sales by member state from Euromonitor with data from eCigIntelligence and S&P Global's Global Consumer Service. This yielded a distribution of \in 151.7 billion worth of traditional tobacco and new nicotine products retail sales, by product category, across the EU-27 member states. However, taxes account for over 70% of aggregate retail sales. Using data from the European Commission's Excise Duty Tables from August 2021, pre-tax retail sales estimates — totaling \in 52.5 billion — were derived and used as model inputs. Thus, the economic contributions stimulated by the underlying value of the traditional tobacco and new nicotine products were derived.

For the production link analysis, preliminary model inputs were extracted from S&P Global's Comparative Industry Services, which, in turn, draws from OECD data as a primary source. Members of Tobacco Europe felt the OECD data may not fully capture recent shifts in production locations. Therefore, Tobacco Europe members provided guidance regarding the level of production activity by product category and member state. This was used to distribute €35.5 billion of production activity across the EU-27 member states, yielding the model inputs for the production link analysis.

Though input-output models are built using generally accepted techniques, the results obtained from these models can differ based on the underlying assumptions and data used to generate the model inputs. As described above, a top-down analysis such as this study typically uses model inputs derived from macro or country level data. Studies using bottom-up analyses, which often develop model inputs based on data collected at the entity level or through primary research surveys, would likely obtain a different set of of results. Moreover, an entity similarly conducting a top-down analysis but that utilizes different sources and methods to collect data will also likely develop model inputs that differ from those used by S&P Global.

Other factors that can lead to different results include, but are not necessarily limited to:

- The source data used to build the core models. As stated, S&P Global used data from the World Input-Output Database to build the models used in this study. Datasets are also available from Eurostat and the OECD. Models built from these datasets would likely produce different results than a WIOD-based model.
- The geographic scope of the models. The WIOD dataset includes industry-level transactions both within and across the EU-27 member states. This allowed S&P Global to develop a set of multi-regional models that captured the follow-on economic activity that occurred within the EU-27, regardless of the member state in which the original economic activity occurred. For example, if

cigarette production in Germany triggered follow-on supply chain activity in France, it was captured by the S&P Global models. A stand-alone model for Germany would have captured just the economic activity that remained in Germany.

• The vintage of the models. The S&P Global models started with core data from the World Input-Output Database (WIOD), which was published in 2014. Using data from S&P Global's proprietary asset, such as the Comparative Industry Service and Global Economy Service, the core data was updated to reflect 2021 conditions. In contrast, any analysis conducted using models built on the 2014 WIOD data would yield results based on core assumptions that do not reflect either post-pandemic conditions or the rise in new nicotine product sales.

The bottom line is different approaches and methodologies for collecting data, building and refining models, etc. may yield different modelled results. Each model brings a different perspective regarding how economic contributions are generated rather than a set of definitive results. Thus, results from different models can be viewed as establishing a range of possible answers.

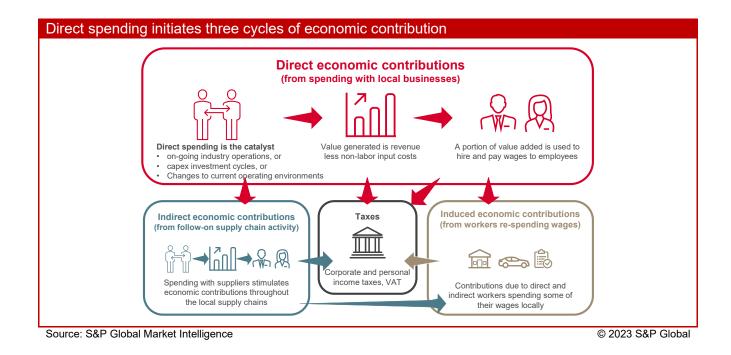
Economic contribution analysis overview

An economic contribution analysis quantifies how specific economic activity catalyses multiple rounds of contributions to key metrics such as economic output, employment, value added, and labour income. For this study, S&P Global Market Intelligence developed a set of models to trace how streams of economic activity initiated by the tobacco and new product value chains stimulate three levels of economic contribution throughout the EU-27 economy. The first level, designated as **direct contributions**, encompasses the economic contributions resulting from directly purchasing goods and services from businesses. The second level, **indirect contributions**, captures the follow-on effects that ripple through multiple tiers of tobacco companies' extended supply chains (i.e., suppliers' suppliers, etc.). The third level, **induced contributions**, covers the economic contributions due to the spending activity of people who work for tobacco companies or any of the extended supply chain businesses.

The direct, indirect, and induced contributions are reported for the following economic indicators:

- **Employment.** To produce their goods and services, companies must hire and retain employees. This indicator measures the number of workers required to support a given level of sales activity within an economy.
- Sales activity (economic output). In the context of this analysis, economic output represents the value of sales activity that occurs in the economy that is ultimately attributable to transactions initiated by the tobacco industry.
- Value added (contribution to gross domestic product). Value added is the difference between the revenue businesses receive for a product or service and their non-labour input costs. Gross domestic product (GDP) is the sum of all value added across a national economy.
- **Labour income**. A subcomponent of value added, labour income captures the compensation paid to workers.
- **Taxes**: Businesses pay corporate taxes; employees pay personal taxes.

The following flow diagram presents the process by which the three economic contribution cycles (direct, indirect, and induced) interact and affect the key economic contribution metrics (employment, sales activity, GDP contribution, labour income, and taxes). The catalyst event occurs when firms directly engaged in the tobacco industry purchase products or services from local businesses (the arrow at the upper left portion of the graphic). At this point, money is exchanged (tobacco firms to the business) in return for a product or service (from the business to tobacco firms).



These transactions initiate the "Direct economic contribution" cycle (shown in the red box in the graphic), beginning in the "Economic output" box. These sales then enable local businesses to accomplish two primary objectives:

- First, they buy the non-labour inputs (also known as intermediate purchases) needed to make and deliver their products and services from their supply network. This initiates the "Indirect economic contribution" cycle, which will be discussed later.
- Second, they generate what economists call "value added." For the purposes of this analysis, value added is the difference between the value of the sales transactions and the intermediate purchases.

After the value added is distributed to workers or paid to tax authorities or retained as gross profits, the direct economic contribution cycle ends.

As previously mentioned, the local businesses that tobacco firms directly buy from, in turn, make intermediate purchases from their supply networks, which commences the "Indirect economic contribution" cycle. For this part of the discussion, we will designate the businesses that tobacco firms directly buy from as "tier 1 suppliers." The tier 1 suppliers make intermediate purchases from their suppliers (tier 2 suppliers). The tier 2 suppliers then make intermediate purchases (from tier 3 suppliers), compensate their workers, pay taxes, and derive profits. This cycle repeats through the remaining tiers of the extended supply chain. The sum of the contributions stimulated by these multiple rounds of economic activity are the indirect impacts.

Tobacco firms and the local businesses in the direct and indirect supply networks pay their employees, who then spend a substantial portion of their income on household purchases (food, consumer goods, healthcare, education, housing, etc.) in their local economies. These sales transactions launch the "Induced economic contribution" cycle. The induced economic cycle is similar to the indirect economic contribution cycle in that it is multi-tiered. The main difference is the induced spending activity tends to centre on consumer activity.

Building an input-output model with the World Input-Output Database

S&P Global Market Intelligence built the core economic impact models upon input-output (I-O) data from the World Input-Output Database (WIOD) that contains sectoral spending and sales data for 43 countries and 56 sectors, based on Revision 4 of the United Nations' International Standard Industrial Classification (ISIC, Rev 4). For the purposes of this analysis, the model isolated all European countries in the EU-27 and aggregated the remaining countries as a "Rest of World" region. It also consolidated the sectors to align with S&P Global Market Intelligence internal data incorporated in the analysis. The 51 sectors are listed below.

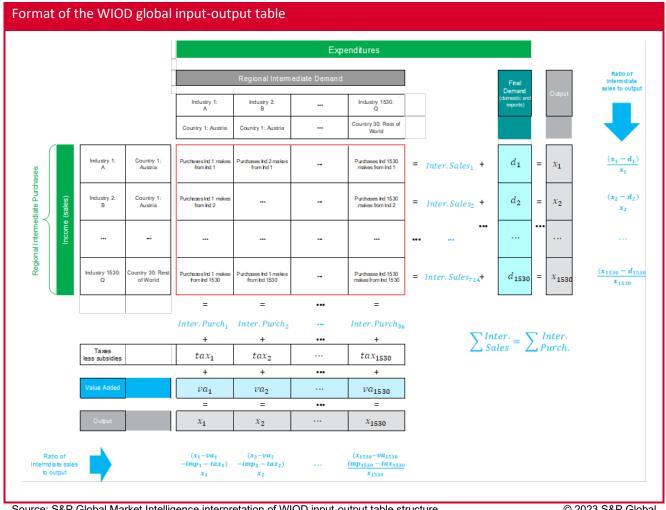
Industry	Sector	Sector / Industry Description
1	А	Agriculture, Forestry and Fishing
2	В	Mining and Quarrying
3	C10-C12	Manufacture of Tobacco Products, Beverages and Food Products
4	C13-C15	Textiles, Apparel and Leather
5	C16	Manufacture of Wood and of Products of Wood and Cork, except Furniture
6	C17	Manufacture of Paper and Paper Products
7	C18	Printing and Reproduction of Recorded Media
8	C19	Manufacture of Coke and Refined Petroleum Products
9	C20	Manufacture of Chemicals and Chemical Products
10	C21	Manufacture of Basic Pharmaceutical Products
11	C22	Manufacture of Rubber and Plastics Products
12	C23	Manufacture of Other Non-Metallic Mineral Products
13	C24	Manufacture of Basic Metals
14	C25	Manufacture of Fabricated Metal Products, except Machinery + Equipment
15	C26	Manufacture of Computer, Electronic and Optical Products
16	C27	Manufacture of Electrical Equipment
17	C28	Manufacture of Machinery and Equipment N.E.C.
18	C29	Manufacture of Motor Vehicles, Trailers and Semi-Trailers
19	C30	Manufacture of Other Transport Equipment
20	C31_C32	Manufacture of Furniture, Safety, Fire, and Other Goods
21	C33	Repair and Installation of Machinery and Equipment
22	D35	Electricity, Gas, Steam and Air Conditioning Supply
23	E36	Water Supply, Sewerage, Waste Management and Remediation Activities
24	E37-E39	Sewerage, Waste and Remediation
25	F	Construction
26	G45	Wholesale and Retail Trade and Repair of Motor Vehicles and Motorcycles
27	G46	Wholesale Trade, except of Motor Vehicles and Motorcycles
28	G47	Retail Trade, except of Motor Vehicles and Motorcycles
29	H49	Land Transport and Transport via Pipelines
30	H50	Water Transport
31	H51	Air Transport
32	H52	Warehousing and Support Activities for Transportation
33	H53	Postal and Courier Activities
34	T	Accommodation and Food Service Activities
35	J58	Publishing Activities

36	J59_J60	Audiovisual and Broadcasting
37	J61	Telecommunications
38	J62_J63	IT and Information Services
39	K64	Financial Service Activities, except Insurance and Pension Funding
40	K65	Insurance, Reinsurance and Pension Funding, except Compulsory Social Security
41	K66	Activities Auxiliary to Financial Service and Insurance Activities
42	L68	Real Estate Activities
43	M69_M70	Legal, Accounting, Consultancy
44	M71	Architectural and Engineering Activities, Technical Testing and Analysis
45	M72	Scientific Research and Development
46	M73	Advertising and Market Research
47	M74_M75	Professional, Scientific, Veterinary
48	Ν	Administrative and Support Service Activities
49	OSTU + R	Public Admin and Defense, Other Services Arts, Entertainment and Recreation
50	P85	Education
51	Q	Human Health and Social Work Activities

The I-O data are organised into tables (input-output tables) that link the purchase and sale relationships between producers and consumers within an economy. The global I-O table captures domestic inter-industry trade activity as well as international trade between industries/countries. Economic transactions occur at the intersection of a column (purchasing activity) and a row (sales activity) in the graphic below.

There are a few features of the I-O table structure that are important to consider when building IO-based models.

- In a balanced I-O table such as the World Input-Output table, the output, x_n , for any industry's rows equals the output of the same industry's column.
- The rows capture the flow of sales revenue into an industry. That is, the output shown in Industry 1's row, x_1 , captures the payments industry 1 receives for its products and services both from intermediate sales to other industries and sales to end users (final demand).
- The "Intermediate Demand" columns break down the output, x_n , into: (1) the intermediate purchases industry n makes from both domestic industries and imports; (2) the value added, va_n , created by the industry.
- Value added, *va_n*, can be further broken down into three primary subcategories: labour income, other taxes, and gross operating profits. The value-added subcategories by industry were incorporated separately from the core I-O tables. In some cases, S&P Global Market Intelligence's proprietary data was used.



Source: S&P Global Market Intelligence interpretation of WIOD input-output table structure

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Using techniques that ultimately earned economist Wassily Leontief the 1973 Nobel Prize in Economics, S&P Global Market Intelligence transformed the world I-O table into the core of the models used for the analysis. Reading across the industry rows in the I-O table reveals a simple equation that captures the relationship between the output of an economy, intermediate demand, and final demand.

Output = Intermediate Purchases + Final Demand

As shown in the prior graphic, this concept can be broken out as a set of equations that capture these relationships on an industry or sector level. From the world I-O table, 1530 equations can be written:

$$x_{1} = a_{1,1}x_{1} + a_{1,2}x_{2} + \dots + a_{1,1530}x_{1530} + d_{1}$$

$$x_{2} = a_{2,1}x_{1} + a_{2,2}x_{2} + \dots + a_{2,1530}x_{1530} + d_{2}$$

$$\dots$$

$$x_{1530} = a_{1530,1}x_{1} + a_{1530,2}x_{2} + \dots + a_{1530,1530}x_{1530} + d_{1530}$$

Where:

- x_i is the gross output of industry i
- $a_{i,j}$ is the proportion of industry j's gross output that is used for purchases from industry i •
- d_i is the final demand for industry i'_s products or services •

Next, these equations can be represented in matrix form as follows:

$$X = AX + D$$

Where:

- $X = \begin{bmatrix} x_1 \\ \cdots \\ x_{1530} \end{bmatrix}$; a 1530-by-1 matrix (or vector) of industry sales (output)
- $A = \begin{bmatrix} a_{1,1} & \cdots & a_{1,1530} \\ \vdots & \ddots & \vdots \\ a_{1530,1} & \cdots & a_{1530,1530} \end{bmatrix}$; a 1530-by-1530 Direct Requirements Matrix
- $D = \begin{bmatrix} d_1 \\ \cdots \\ d_{1530} \end{bmatrix}$; a 1530-by-1 (or vector) matrix of Final Demand by industry.

Finally, solving the above equation for X yields the relationship between changes in demand, D, affect gross output.

X - AX = DX(I - A) = D $X = (I - A)^{-1}D$

Where:

- I represents a 1,530-by-1,530 identity matrix (top-left to lower-right diagonal is all 1s; other elements are 0s);
- (I-A)⁻¹ represents the inverse matrix of (I –A), also known as the Leontief Inverse Matrix.

The IO-based approach measures how changes in Final Demand, D, affect output, X. To assess how tobacco firms contribute to the European economy, S&P Global Market Intelligence created new Final Demand vectors, D, based on 2021 production levels and consumer spending on tobacco products across all EU-27 member states. S&P Global Market Intelligence then aggregated these data into the 1530 industries contained in the model to create a series of annual Final Demand vectors. Each annual Final Demand vector was brought into the corresponding economic impact model, where it was matrix multiplied by the Leontief Inverse Matrix, which yielded the industry-level changes in output, **X**.

S&P Global Market Intelligence also needed to quantify the contributions to GDP (value added), labour income and employment in the countries from which it sources goods and services. WIOD provides information on the value added for each industry. Thus, ratios of value-added-to-output by industry can be determined directly from any of the I-O tables S&P Global Market Intelligence used to create the models. In separate tables, the WIOD provides details on the components of value added (labour income, other taxes, gross operating profits) by industry. S&P Global Market Intelligence used these data to generate labour-income-to-output ratios by industry.

To quantify the employment effects, S&P Global Market Intelligence needed to calculate output-per-worker ratios by industry. To create the output-per-worker ratios, S&P Global Market Intelligence combined the WIOD output data with employment data from the OECD and WIOD.

S&P Global Market Intelligence analysed retail jobs supported by traditional tobacco and new nicotine product sales in terms of total jobs supported and full-time-equivalent (FTE) jobs. Retail establishments employ a high

number of part-time workers in Europe. In fact, employees in the retail sector worked the third-lowest number of hours in 2016 (latest year for which data was published) compared with all other sectors, according to data from WIOD. To view the jobs supported by traditional tobacco and new nicotine product sales on a more standardised basis, S&P Global Market Intelligence converted retail jobs to full-time equivalents.

To create estimates of full-time equivalent jobs supported, S&P Global Market Intelligence calculated unique output-per-employee ratios for each country's retail sector using output, employment, and total-hours-worked data from WIOD. First, an average weekly hours figure was calculated for each country's retail sector (ISIC code G47) using the total hours worked data from WIOD. Then, assuming a forty-hour work week as full-time, FTE conversion factors were created for each country's retail sector. For example, if retail employees in one country worked 20 hours per week on average, the FTE conversion factor would be 0.5. These factors were then applied to the retail employment figures to create FTE employment in each European country's retail sectors. The FTE employment figures were then used to create output-per-employee ratios.

The supported jobs estimated using the two different approaches differ by about 150,000 jobs. The reported figure in the body of the report, 1.52 million total jobs supported, uses output-per-employee ratios created using the original WIOD employment and output data. In terms of full-time equivalents, a total of 1.37 million jobs were supported using the method detailed above.

The ratios for value added/output, labour income/output and output/employment by industry were compiled into look-up tables. The industry output results were multiplied by the appropriate ratio to quantify the value added, labour income or employment impacts. For example, the output results for industry *i* were multiplied by the corresponding value added/output ratios to calculate the value-added impacts generated in industry *i*.

The following sections provide more detail on how the WIOD data, supplemented by data from S&P Global Market Intelligence and the OECD, was used to create the economic impact models. The model used to assess the tobacco industry's economic contributions was built within S&P Global Market Intelligence's EViews modelling environment.

Creating the Leontief Inverse Matrix

The heart of an input-output model is the Leontief Inverse Matrix. To create this matrix, S&P Global Market Intelligence started with WIOD's input-output tables. Below is a screenshot of a section of a 2014 input-output table, where only Austria's industry data are visible. 29 other countries are captured in the version of the I-O tables used for the analysis. The full list of countries is below.

millions of USI	D														
Industry Code		Α	В		C10-C12	C13-C15	C16	C17	C18	C19	C20	C21	C22	C23	C24
	Country	AUT	AUT		AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT
Α	AUT	2,549		0	4,570	17	1,089	412	0	1	123	11	27	2	2 2
В	AUT	9		28	26	2	7	15	1	488	27	2	4	49	139
C10-C12	AUT	752		3	3,641	134	16	39	5	2	293	89	15	13	18
C13-C15	AUT	2		0	7	1	3	2	1	0	3	1	2	2	2 4
C16	AUT	34		8	36	5	1,653	53	5	1	16	3	37	29	62
C17	AUT	10		4	244	16	114	732	295	1	169	42	54	39) 13
C18	AUT	2		1	21	3	3	17	202	0	6	4	6	4	4
C19	AUT	83		15	26	5	14	8	2	37	79	4	12	40) 151
C20	AUT	46		7	94	33	36	58	11	27	859	41	142	43	39
C21	AUT	7		1	34	4	11	8	3	1	15	72	7	7	/ 10
C22	AUT	21		4	142	15	26	20	25	2	49	17	125	53	15
C23	AUT	24		9	85	8	65	7	2	31	24	30	88	652	2 56
C24	AUT	16		6	34	4	25	24	4	2	62	. 8	65	38	3 2,201

The I-O table was transformed into the Leontief Inverse Matrix in three steps. The first step was creating the Direct Requirements Matrix (also known as the A Matrix). The Direct Requirements Matrix specifies the proportion of a given industry's output that is spent on intermediate purchases across all sectors. This means a Direct Requirements Matrix can be created by normalizing the intermediate purchases (the columns) of the I-O table relative to each industry's total output. In other words, each "intermediate purchases" cell in a given industry of the I-O table is divided by the total output of that industry. Shown in the screenshot below is a section of the 2021 Direct Requirements Matrix.

Countries	Countries included in economic contribution analysis										
Country abbreviation	Country	Country abbreviation	Country								
AUT	Austria	IRL	Ireland								
BEL	Belgium	ITA	Italy								
BGR	Bulgaria	LTU	Lithuania								
СҮР	Cyprus	LUX	Luxembourg								
CZE	Czech Republic	LVA	Latvia								
DEU	Germany	MLT	Malta								
DNK	Denmark	NLD	Netherlands								
ESP	Spain	POL	Poland								
EST	Estonia	PRT	Portugal								
FIN	Finland	ROU	Romania								
FRA	France	SVK	Slovakia								
GRC	Greece	SVN	Slovenia								
HRV	Croatia	SWE	Sweden								
HUN	Hungary	ROW	Rest of World								

The Direct Requirements Matrix provides insights into the direct spending between industries. For example, the C13-C15 (Textiles, Apparel and Leather) Austria column in the screenshot shows the proportional spending of that industry across all others. Assume D1 increases output by \$100. The Direct Requirements Matrix shows that, to generate that \$100 of additional output, Austria's C13-C15 sector will spend \$0.41 with industry sector A (Agriculture, forestry and fishing) in Austria. This is the cell highlighted in yellow

A Matrix														
Industry Code		Α	В	C10-C12	C13-C15	C16	C17	C18	C19	C20	C21	C22	C23	C24
	Country	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT
A	AUT	0.1997	0.0001	0.1664	0.0041	0.1060	0.0503	0.0001	0.0001	0.0068	0.0019	0.0034	0.0003	0.0001
В	AUT	0.0007	0.0083	0.0009	0.0004	0.0007	0.0019	0.0004	0.0658	0.0015	0.0004	0.0005	0.0056	0.0069
C10-C12	AUT	0.0589	0.0008	0.1326	0.0315	0.0016	0.0048	0.0015	0.0003	0.0161	0.0151	0.0019	0.0015	0.0009
C13-C15	AUT	0.0001	0.0001	0.0003	0.0002	0.0003	0.0003	0.0002	0.0000	0.0002	0.0002	0.0002	0.0002	0.0002
C16	AUT	0.0026	0.0025	0.0013	0.0012	0.1608	0.0065	0.0014	0.0001	0.0009	0.0006	0.0046	0.0034	0.0031
C17	AUT	0.0008	0.0011	0.0089	0.0037	0.0111	0.0895	0.0867	0.0001	0.0093	0.0070	0.0067	0.0044	0.0006
C18	AUT	0.0001	0.0003	0.0008	0.0007	0.0003	0.0021	0.0594	0.0001	0.0003	0.0006	0.0008	0.0005	0.0002
C19	AUT	0.0065	0.0043	0.0010	0.0011	0.0013	0.0010	0.0007	0.0050	0.0044	0.0007	0.0015	0.0046	0.0075
C20	AUT	0.0036	0.0022	0.0034	0.0078	0.0035	0.0070	0.0032	0.0036	0.0473	0.0070	0.0177	0.0049	0.0020
C21	AUT	0.0005	0.0004	0.0012	0.0009	0.0011	0.0009	0.0008	0.0002	0.0008	0.0121	0.0009	0.0008	0.0005
C22	AUT	0.0017	0.0013	0.0052	0.0035	0.0025	0.0024	0.0074	0.0003	0.0027	0.0029	0.0155	0.0061	0.0008
C23	AUT	0.0018	0.0027	0.0031	0.0019	0.0063	0.0009	0.0006	0.0042	0.0013	0.0050	0.0110	0.0747	0.0028
C24	AUT	0.0013	0.0019	0.0012	0.0008	0.0024	0.0030	0.0012	0.0002	0.0034	0.0013	0.0080	0.0044	0.1098

The next step is creating the (1-A) Matrix. This is accomplished by subtracting the Direct Requirements Matrix elements from an Identity Matrix. The results of this operation are shown in the following screenshot.

1-A Matrix														
Industry Code		Α	В	C10-C12	C13-C15	C16	C17	C18	C19	C20	C21	C22	C23	C24
	Country	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT
Α	AUT	0.934	0.000	-0.021	-0.001	-0.022	-0.012	0.000	0.000	-0.001	-0.001	-0.006	0.000	0.000
В	AUT	0.000	0.998	0.000	0.000	0.000	0.000	0.000	-0.002	0.000	0.000	-0.001	-0.005	-0.019
C10-C12	AUT	-0.099	-0.002	0.913	-0.020	-0.002	-0.006	-0.003	0.000	-0.010	-0.023	-0.004	-0.002	-0.001
C13-C15	AUT	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.002	-0.001	0.000
C16	AUT	-0.001	-0.001	0.000	0.000	0.968	-0.002	-0.001	0.000	0.000	0.000	0.000	0.000	0.000
C17	AUT	0.000	0.000	0.000	0.000	0.000	0.996	-0.005	0.000	0.000	0.000	-0.001	-0.002	0.000
C18	AUT	0.000	0.000	0.000	0.000	0.000	0.000	0.998	0.000	0.000	0.000	0.000	0.000	0.000
C19	AUT	-0.006	-0.005	0.000	0.000	-0.001	-0.001	-0.001	0.999	-0.002	-0.001	-0.003	-0.001	-0.002
C20	AUT	-0.001	-0.001	0.000	-0.001	0.000	-0.001	-0.001	0.000	0.996	-0.001	-0.023	-0.003	0.000
C21	AUT	-0.001	-0.001	-0.001	-0.001	-0.001	-0.001	-0.002	0.000	-0.001	0.980	-0.003	-0.002	0.000
C22	AUT	-0.001	-0.001	-0.001	-0.001	-0.001	-0.002	-0.007	0.000	-0.002	-0.002	0.990	-0.001	0.000
C23	AUT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.007	0.000
C24	AUT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.999

The final transformation is inverting the (I-A) Matrix to create the Leontief Inverse Matrix. A portion of the 2021 Leontief Inverse Matrix is shown in the screenshot below.

Leontief Inverse Matrix														
Industry Co	ode	Α	В	C10-C12	C13-C15	C16	C17	C18	C19	C20	C21	C22	C23	C24
		AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT
Α	AUT	1.269	0.002	0.246	0.014	0.163	0.074	0.009	0.001	0.015	0.008	0.007	0.003	0.002
В	AUT	0.002	1.010	0.003	0.001	0.003	0.005	0.002	0.067	0.004	0.001	0.002	0.008	0.010
C10-C12	AUT	0.088	0.002	1.172	0.039	0.015	0.013	0.005	0.001	0.022	0.020	0.004	0.004	0.003
C13-C15	AUT	0.000	0.000	0.000	1.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
C16	AUT	0.006	0.004	0.004	0.003	1.196	0.011	0.004	0.001	0.003	0.002	0.007	0.006	0.007
C17	AUT	0.003	0.002	0.013	0.006	0.016	1.101	0.105	0.001	0.012	0.009	0.009	0.007	0.002
C18	AUT	0.001	0.002	0.004	0.002	0.002	0.004	1.081	0.001	0.002	0.002	0.002	0.002	0.001
C19	AUT	0.009	0.005	0.004	0.002	0.004	0.003	0.002	1.006	0.006	0.002	0.003	0.007	0.010
C20	AUT	0.006	0.003	0.007	0.010	0.007	0.010	0.006	0.005	1.054	0.009	0.021	0.007	0.004
C21	AUT	0.001	0.001	0.002	0.001	0.002	0.001	0.001	0.000	0.001	1.013	0.001	0.001	0.001
C22	AUT	0.003	0.002	0.008	0.004	0.005	0.004	0.010	0.001	0.004	0.004	1.017	0.008	0.002
C23	AUT	0.005	0.005	0.007	0.004	0.011	0.003	0.003	0.006	0.003	0.007	0.014	1.084	0.005
C24	AUT	0.004	0.004	0.005	0.003	0.007	0.006	0.004	0.001	0.006	0.003	0.012	0.008	1.131

The Leontief Inverse Matrix is also known as the Total Requirements Matrix because the coefficients capture how a marginal change in spending in industry *i* affects all industries in the economy, through multiple tiers of the supply chain. Building on the example from the direct requirements discussion, a \$100 increase in the output of industry C13-C15 triggers a total increase of \$1.40 in industry A. From the previous example, we know that C13-C15 directly spends \$0.41 with industry A. This means an additional \$0.99 of spending with sector A is stimulated during the indirect contribution cycle.

Quantifying Value Added, Labour Income and Employment

Use of a Leontief Inverse Matrix in an input-output model captures how direct changes in output in one or more industries leads to indirect changes in output across all industries in an economy. The next step of economic impact analysis is to determine how the key economic indicators of value added, labour income, and employment are affected. WIOD provides employment, labour income, and total value added for all industries/countries contained in the World I-O table. S&P Global Market Intelligence used these figures, as well as output, to create the following ratios in each industry/country. S&P Global Market Intelligence also used OECD figures for direct employment attributable to tobacco manufacturing to capture employment activity more accurately in that industry.

- Output per employee
- Labour income per \$1 of output
- Total value added per \$1 of output

These ratios were applied to the direct, indirect, and induced output results to generate the employment, labour income, and total value-added effects on the EU-27 economy.

Estimating Induced Impacts

Induced impacts are those stimulated by workers spending a portion of their income in the local economy. Typically, an enhanced version of an I-O table, known as a Social Accounting Matrix or SAM, is used to derive the induced impacts. As its name implies, a SAM extends the I-O framework to include financial flows beyond the industry-to-industry transactions in an I-O table. Examples of these flows include inter-institution transfers (e.g., government to households) and consumption (e.g., final demand). In a SAM-based model, a portion of the labour income workers receive is fed back into the economy via consumer purchase activity and general consumption.

A current SAM from WIOD does not exist; therefore, S&P Global Market Intelligence used a proxy approach to estimate the induced effects. The world I-O table contains industry-level household spending patterns for each country. The percentage distribution of household spending can be used as a proxy for the household spending patterns that initiate the induced impact cycle. For the induced impact analysis, S&P Global Market Intelligence assumed that 70% of direct and indirect labour Income would be re-spent in the local economy consistent with the household consumption distribution in each country.

The annual household consumption distributions were treated as inputs to the models. The models then determined the follow-on effects. Included in these effects is another, smaller round of labour income, which was fed back into the model. In theory, this represents an infinite loop in which each round of labour income was fed back into the model. Fortunately, there is a more efficient way to determine the total induced impacts. Recall that the household final consumption distribution is held constant. Thus, the labour income generated by the first round of the spending is feedback into the model using the same distribution. As such, the ratio of one round's labour income to the next round's labour income will be a constant. This is, by definition, an infinite geometric series.

Summing an infinite series requires determining the common ratio, r, which is the ratio of the labour income entering into round 1 divided by the labour income generated by round 1. The common ratio can be used to calculate a scale factor by which the initial results are multiplied to derive the infinite sum. The formula for this scale factor is as follows: Induced scale factor = $\frac{1}{1-r}$

For example, initial testing for the 2021 model indicated a common ratio in EU-27countries of approximately 33% (the exact figure varies by country). This leads to an induced scale factor of around 1.5. Thus, multiplying the first round of induced gross output impacts by 1.5 will yield the sum of gross output induced impacts. The value added, labour income and employment ratios can then be applied to determine the induced results for those metrics.

Updating the World I-O Table with RAS procedure

S&P Global Market Intelligence used a standard matrix balancing process known as the RAS method to transform the World input-output models from their original vintage (2014) to the present year (2021). Updated input-output tables – which underpin the economic impact analysis – help ensure the results of the analysis are more accurate. Starting with the 2014 global model, the RAS method iteratively scales and rebalances first the rows and then the columns of the Direct Requirements Matrix (the A Matrix) until the coefficients converge to a create matrix that produces a balanced response to a targeted level of output. This means that for a targeted level of output, the sum of direct intermediate purchases equals the sum of direct intermediate demand. This section presents a brief discussion of the RAS methodology S&P Global Market Intelligence used to create A Matrices that were then transformed into Leontief Inverse matrices for models with data years 2015 to 2021. For a more extensive discussion, the reader is referred to Input-Output Analysis, Foundations and Extensions, Second Edition by Miller and Blair, where Chapter 7 presents a comprehensive overview of the RAS technique.

Based on the process put forth by Miller and Blair, transforming the 2014 global A Matrix to an A Matrix in subsequent years requires three sets of inputs. The first is the regional output by sector. For example, the output for each of the 1,530 industry sectors (51 sectors x 30 different countries) in 2020 is needed to create the A Matrix that will be transformed into the Leontief Inverse Matrix for that year. The two other sets of required inputs are: (a) intermediate sales by industry in each year; and (b) intermediate purchases by industry in each year.

Using the "Format of the WIOD global input-output table" graphic presented earlier in this appendix, one can derive the relationships between: (a) output and intermediate sales by industry; and (b) output and intermediate purchases by industry. Specifically, the I-O table can be used to derive ratios of intermediate-sales-to-output and intermediate-purchases-to-output by industry. Thus, if one knows the regional output by industry, one can derive estimates of the regional intermediate sales by industry and intermediate purchases by industry.

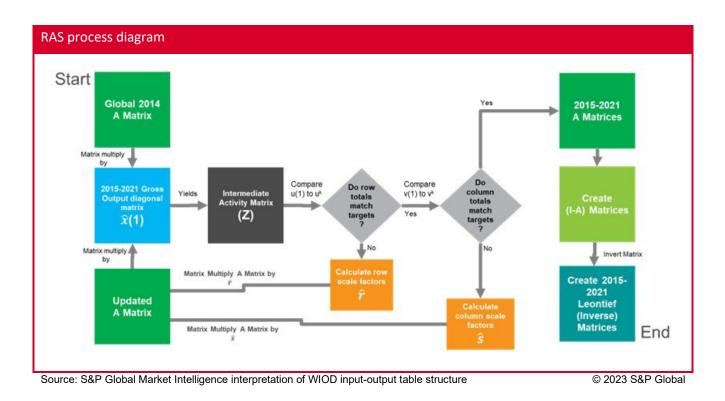
S&P Global Market Intelligence used gross output from its Comparative Industry group as the targets by which it updated the I-O table. Gross output by industry/geography was used in the RAS procedure. To align the classifications from the WIOD database and S&P Global Market Intelligence's data, some sectors and countries were aggregated. Other industry-specific data, such as employment, labour income and value added, was sourced from either WIOD, the OECD, or internally at S&P Global Market Intelligence.

One more preparatory step is needed before beginning the RAS process. To facilitate the matrix multiplication required by the RAS process, the regional output by industry must be converted from a 1,530 row by 1 column matrix (or vector) to a 1,530 row by 1,530 column diagonal matrix, sometimes called the \hat{x} matrix or x-hat matrix. To illustrate, a portion of the output data from the prior table are shown in \hat{x} matrix format below. The figures are in millions of US dollars.

X-Hat Matrix														
Industry Cod	e	Α		C10-C12	C13-C15	C16	C17	C18	C19	C20	C21 (C22 C	23	C24
	Country	AUT	AUT	AUT	AUT	AUT	AUT	AUT	AUT .	AUT	AUT A	AUT A	UT A	AUT
A	AUT	12,012	-	-	-	-	-	-	-	-	-	-	-	-
в	AUT	-	3,168	-	-	-	-	-	-	-	-	-	-	-
C10-C12	AUT	-	-	23,943	-	-	-	-	-	-	-	-	-	-
C13-C15	AUT	-	-	-	3,239	-	-	-	-	-	-	-	-	-
C16	AUT	-	-	-	-	12,097	-	-	-	-	-	-	-	-
C17	AUT	-	-	-	-	-	7,966	-	-	-	-	-	-	-
C18	AUT	-	-	-	-	-	-	1,891	-	-	-	-	-	-
C19	AUT	-	-	-	-	-	-	-	8,979	-	-	-	-	-
C20	AUT	-	-	-	-	-	-	-	-	19,960	-	-	-	-
C21	AUT	-	-	-	-	-	-	-	-	-	6,842	-	-	-
C22	AUT	-	-	-	-	-	-	-	-	-	-	7,523	-	-
C23	AUT	-	-	-	-	-	-	-	-	-	-	-	9,317	-
C24	AUT	-	-	-	-	-	-	-	-	-	-	-	-	19,263

A schematic of the RAS process is shown below. To start the RAS process, the 2014 A Matrix is multiplied by the \hat{x} Matrix of the future year. This results in what is known as an Intermediate Activity Matrix, which captures the first round of intermediate sales and intermediate purchase activity required to meet the target output in the \hat{x} Matrix. Because the intermediate-purchases-to-output percentages were used as a constraining factor when the regional targets were derived, the sum of each industry column in the Intermediate Activity Matrix will match the Intermediate Purchases targets.

The sum of each row likely will not match the Intermediate Sales targets. For each industry, the target level is divided by the result to derive a set of scale factors. Each industry row of the A Matrix is multiplied by the corresponding scale factor to create an updated A Matrix. The updated A Matrix is then multiplied by the \hat{x} Matrix, which results in an updated Intermediate Activity Matrix. This round, the sum of the rows will match the Intermediate Sales targets while the sum of the columns will likely not match the Intermediate Purchases targets. This time, scale factors are created for the columns, which are then used to update the A matrix again. This cycle repeats until the row and column sums of the Intermediate Activity Matrix converge to the Intermediate Sales and Intermediate Purchases targets. Once this convergence is achieved, the regional A Matrix is transformed into the (I-A) matrix, followed by the Leontief Inverse Matrix. The process was repeated for each year (2015-2021).



Once the Leontief Inverse Matrix is created for each new year, the core of the models is in place, and direct, indirect and induced contributions to output can be captured using the new models for years 2015-2021.

Appendix D: Glossary

Capital expenditure (Capex)	This includes the investments made by establishments operating in a particular sector during a certain year, net of fixed assets sold.
Compound Annual Growth Rate (CAGR)	A measure of annual growth rate with the effect of compounding considered. The CAGR formula is equal to: [(ending value / beginning value) ^ (1/# of periods)] – 1
Corporate income tax	The tax levied on a corporation's income.
Direct impacts	The first-order responses throughout the economy due to direct sales transactions
Economic impact analysis	A study that examines the direct, indirect and induced impacts of the independent operators' production activities and supply chain spending.
Employment	This includes wages, salaries and self-employment jobs within the economy.
Extended supply chain	The network of suppliers who provide goods and services to the first tier of a supply chain. This is a subset of the indirect economic contributions.
Fiscal analysis	The estimation of the impacts of tax and non-tax contributions of an entity to the government in which it is currently operating.
Government revenues	The streams of revenues paid to a government agency.
Gross domestic product (GDP)	The sum of value added across all products and services produced within a national economy.
Gross state product (GSP)	The sum of value added across all products and services produced within a state economy.

Indirect impacts	The follow-on supply chain or purchasing network activities that are initiated by direct spending.
Induced impacts	The response of the economy to marginal changes in consumer spending from employees of the direct and indirect businesses.
Input-output analysis	The analysis uses an input-output table that represents a particular economy and depicts the flows of related economic transactions that take place within the country. It also shows the economic interconnections that exist between different components of the economic system, i.e., production activities, the government and supplier enterprises.
Labour income	This captures all forms of employment income, including employee compensation (wages and benefits, employer-paid payroll taxes, unemployment taxes, etc.) and proprietor income (payments received by self-employed individuals and unincorporated businesses).
New nicotine products	This includes the following product categories: vapour products, heated tobacco products, and nicotine pouches.
Operating expenditures (Opex)	This captures purchases of inputs and suppliers.
Output	The total value of all goods and services produced within an economy.
Personal income tax	The tax levied on an individual's income.
Supply chain	The combination of the direct and indirect suppliers.
Tier-1 suppliers	The suppliers with whom the independent operators directly spend their capital expenditure and operating expenditure funds.
Traditional tobacco products	This includes the following product categories: cigarettes, cigars, cigarillos, fine-cut tobacco and smokeless tobacco products.
Value added	The difference between the revenue received for a product or service and its non-labour input costs. It is also understood as the difference between the value of sale and the cost of its required non-labour inputs.

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