

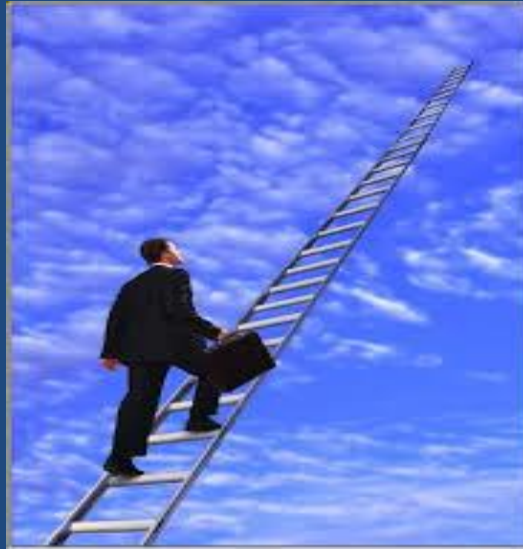
Tobacco Associates, Inc.

Report to Membership



March 6, 2020

Mission



Organized to promote the export (or sale and use) of US produced flue-cured tobacco worldwide



Core Promotion Programs

- Trade Servicing Missions
 - International Trade Expositions
 - Industry Trade Missions
- US Trade Study Missions
- International Leaf Standards Seminars
- US Leaf Training & Study Missions
- Product Development
 - Product Development Seminars

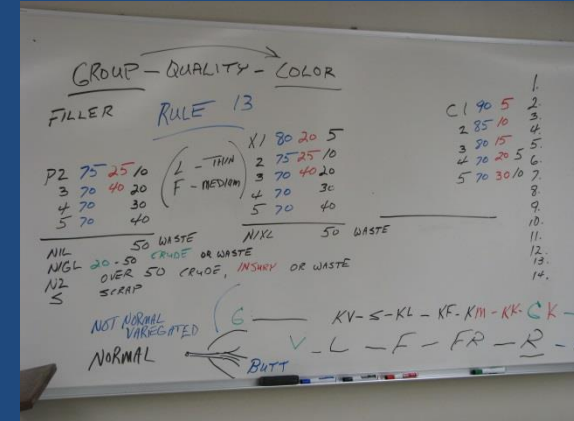
Program Objectives



INFORM



EDUCATE



TRAIN



DEMONSTRATE



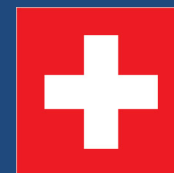
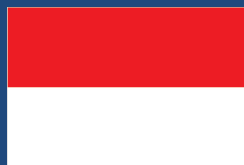
ASSIST



SERVICE

2019 International Program Activities

- Trade Servicing Mission to Vietnam, Thailand and Indonesia (February 20 – March 3)
- Annual Meeting – “In-house” speakers, Mr. Robert Spiers and Mr. Bill Luffman (March 1)
- Trade Mission to Switzerland – Tim Yarbrough, TA BOD (March)
- Trade Servicing Mission to China and Philippines (June 14-28)
- Trade Servicing Mission to Vietnam, (July)
- Product Development Mission to Vietnam (November 1-8)
- Conducted sensory evaluations and provided technical feedback on current Saigon brands and Saigon’s newest product launch, November.



2019 MEETINGS WITH INTERNATIONAL COMPANIES:

- **China Tobacco International** – Beijing, China
- **Tiane He Tobacco International HK Company Ltd.** – Guangzhou, China
- **NC Department of Agriculture & Consumer Services** – Beijing, China
- **PT. Detabak Internasional** – Surabaya, Indonesia
- **SPS Corporation** – Surabaya, Indonesia
- **Associated Anglo-American Tobacco Corporation** – Manila, Philippines
- **Japan Tobacco Int'l (formerly Mighty Corporation)** – Manila, Philippines
- **Prudence Development and Management Corp.** – Pampanga, Philippines
- **Japan Tobacco Int'l** – Geneva, Switzerland
- **Philip Morris Int'l** – Lausanne, Switzerland
- **Tobacco Authority of Thailand** – Bangkok, Thailand
- **Vietnam National Tobacco Corporation** – Ho Chi Minh City, Vietnam
- **Saigon Tobacco Company** – Ho Chi Minh City, Vietnam
- **Bac Son Tobacco Company** – Bac Ninh Province, Vietnam
- **Thanh Hoa Tobacco Company** – Thanh Hoa Province, Vietnam
- **Da Nang Tobacco Company** – Da Nang City, Vietnam



Trade Servicing – Vietnam

February 20 – March 3



Saigon Tobacco Company



**Mr. Nguyen Phuong
Dong, Chairman - STC**



Bac Son Tobacco Company

Trade Servicing – Thailand

February 20 – March 3



การยาสูบแห่งประเทศไทย
Tobacco Authority of Thailand



Trade Servicing – Indonesia

February 20 – March 3



THE LIST OF TARGETED CUSTOMERS
AREA : EAST - JAVA
SOURCES : GAPRI

No.	CUSTOMER	LOCATION	CATEGORY
1	SAMPOERNA	SURABAYA	PM
2	GELORA DIAYA		MEDIUM
3	PUTRA JAYA WIJAYA		SMALL
4	KOLANG CITRA ABADI	SEDAYU	
5	TRISAKTI	PERBOVASARI	KT&G
6	SARITOGA	PASURUAN	JTI
7	BENTORI	MALANG	BAT
8	ONCOKOW IDYO		SMALL
9	PENAMAS NUSAPRIMA		MEDIUM
10	CAKRA GUNA CITA		MEDIUM
11	GIADUM		MEDIUM
12	MEKAPU AGUNG LESTARI		MEDIUM
13	GRANDANG BARU		MEDIUM
14	GANGSAR		SMALL
15	BANSYU BRU		SMALL
16	ATRAKO MULTIGUNA		MEDIUM
17	PT PUTRA MANDIRI		SMALL
18	PR NYUSUL EXPRESS		SMALL
19	PTIRAMA MAMA		SMALL
20	DIAGEN PADJI		SMALL
21	JAYA MAKMUR		SMALL
22	PR SENTOSA		SMALL
23	ALAM SUBUR MARTINA	KRAKSAAN	SMALL
24	PETROBT	T. AGUNG	SMALL
25	CEMPAKA		SMALL
26	SEMANGGI MAS		SMALL
27	BUKOR MAS	BULITAN	SMALL
28	GUIDANG GARAM		BIG
29	KARYA DUTA MAHARDIKA	PANDAAN	BIG



THE LIST OF TARGETED CUSTOMERS
AREA : CENTRAL - JAVA
SOURCES : GAPRI

No.	CUSTOMER	LOCATION	CATEGORY
1	DIJARM	KUDUS	BIG
2	NOJORONO		MEDIUM
3	SUKUN		SMALL
4	PAMOR		SMALL
5	DIAMBU BOL		SMALL
6	TAPAL KUDA	SEMARANG	SMALL
7	GENTONG GOTRI		SMALL
8	DURAK		SMALL
9	DITOE	SOLO	SMALL
10	ASIA MARKO		SMALL
11	INDOBAGO PRATAMA		SMALL
12	GAMA		SMALL
13	MINAPADI		SMALL
14	DAUN JERUK	MAGELANG	SMALL



ANNUAL MEMBERSHIP MEETING

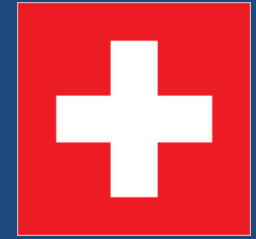
MARCH 1, 2019



Child Labor Conference

Geneva, Switzerland

(March 3-8)



- Presentation to the Eliminating Child Labour in Tobacco Foundation (ECLT).
- Meetings with PMI and JTI



Tim Yarbrough
TA Board Member
Prospect Hill, NC



China



CTI – Beijing, PRC

Trade Servicing Asia June 14 – 28, 2019



Philippines



AAATC – Manila, PH



PDMC – Pampanga, PH

NCDA – Beijing/Tiane He HK Co. Ltd – Guangzhou

JTI (Formerly Mighty Corp) - Manila

Trade Servicing – Vietnam

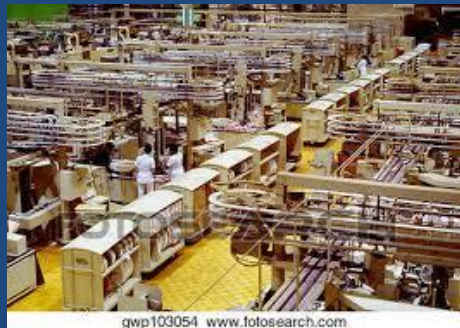
July 12-17



Mr. Nguyen Phuong
Dong, Chairman - STC



Vietnam National Tobacco Corporation/STC



Da Nang



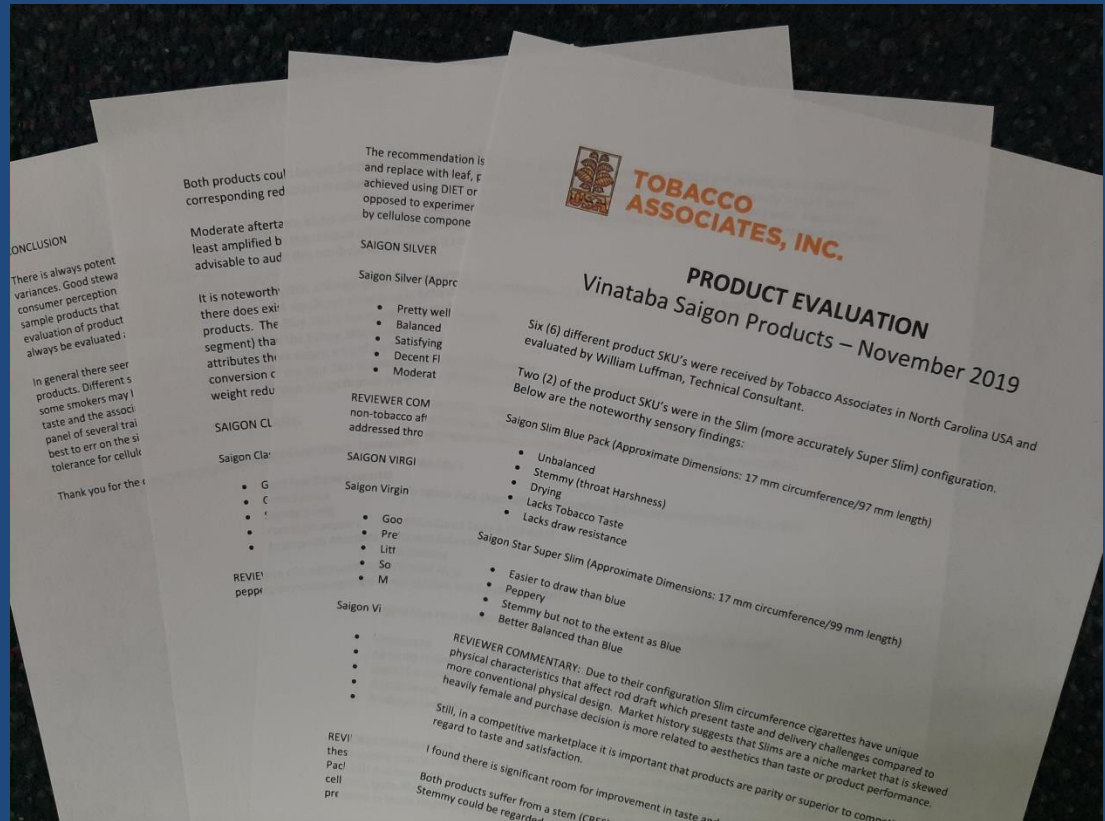
Bac Son



Thanh Hoa

Product Development Discussions with Saigon Tobacco Company Officials

November 1-8



Vietnam – Product Development



Saigon/Vinataba Brands containing US Flue-cured



Saigon Virginia
Premium



Silver Virginia Special Blend

Slim

Classic



Saigon Star
(NEW)



Vinataba Slims



Vinataba Luxury Brand



Vinataba Luxury Tin



Vinataba Demi
Slims

New Saigon Premium Brand Saigon STAR



September 2019

Vietnam Updates

- STC has held on to its position as the number one manufacturer in Vietnam; a direct result of the success of the Saigon family of brands, developed with TA's technical guidance and assistance.
- STC launched a new premium brand extension, *Saigon Star*, in September of 2019 to celebrate its 90th anniversary.
- 2nd quarter excise tax increase decreased overall sales in Vietnam by %20
- Total “*Saigon*” brand sales are approximately 37 million packs/month (Down 12%)
- Increased taxes and fierce competition from BAT has directly impacted the *Saigon Silver* brand
- Fortunately, the *Saigon Silver* brand, STC's most popular, was only down 9%.
- Saigon Brand sales through 2020 (est.)
- ***Saigon Virginia*** (Yellow) – 7.5 to 8 million packs/month
- ***Saigon Silver*** – 27 million packs/month
- ***Saigon Slim*** – 2.5 million packs/month
- ***Saigon Classic*** – 450,000 packs/month
- ***Saigon Special Blend*** – 540,000 packs/month
- ***Saigon Virginia Premium*** – 900,000 million packs/month
- ***Saigon STAR*** – No sales data



Target Markets

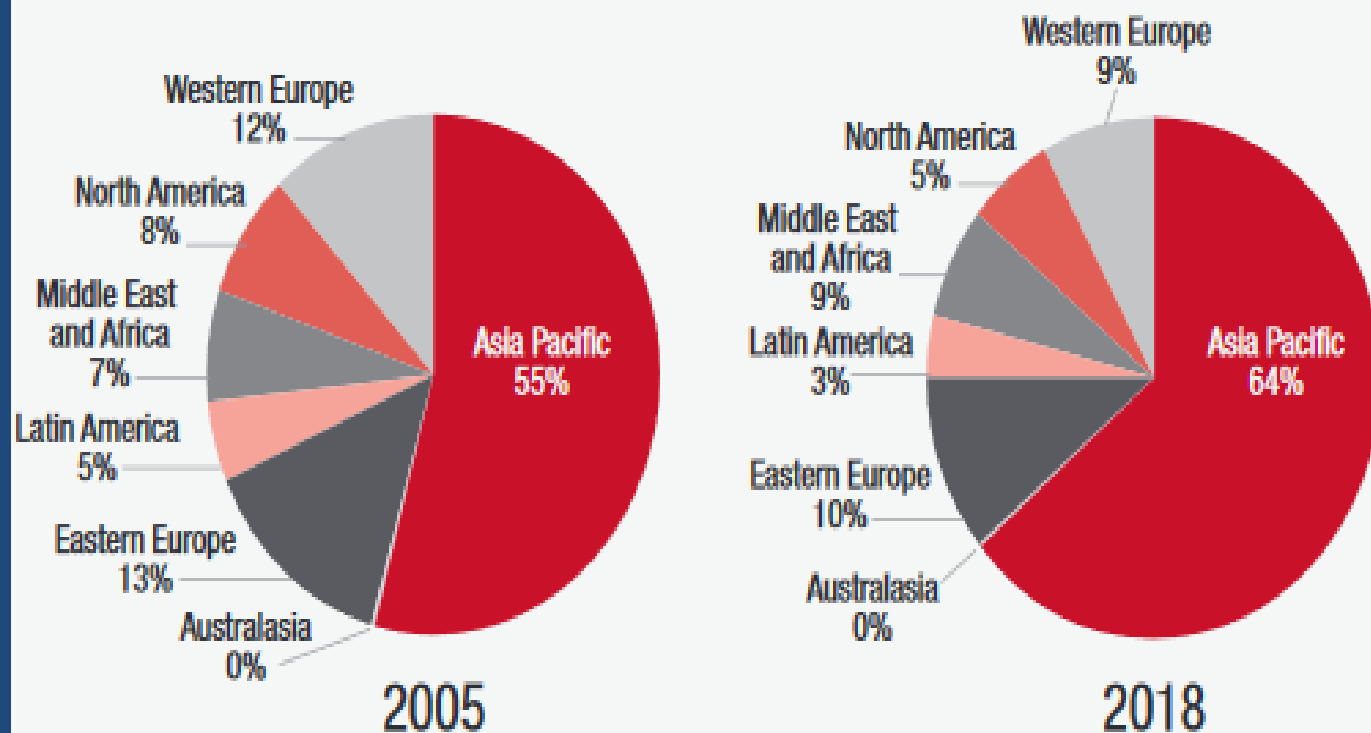


Southeast Asia



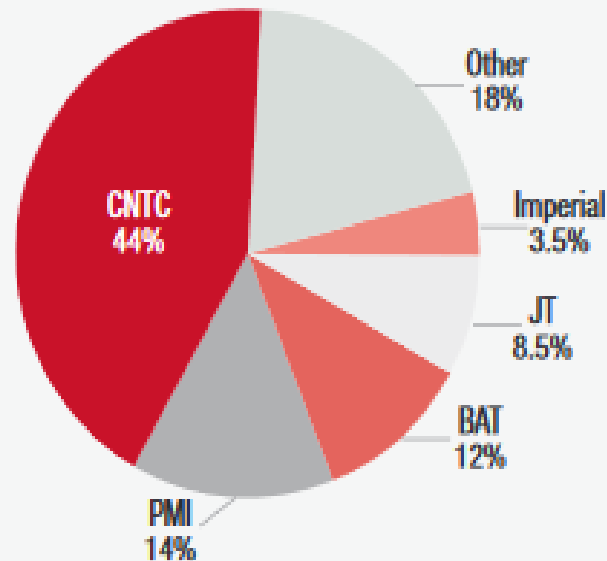
Middle East and North Africa
(MENA Region)

Figure 2. GLOBAL CIGARETTE MARKET BY REGION



Source: Euromonitor International, 2019

Figure 3. TOBACCO COMPANY SHARES OF GLOBAL CIGARETTE MARKET, BY RETAIL VOLUME 2018



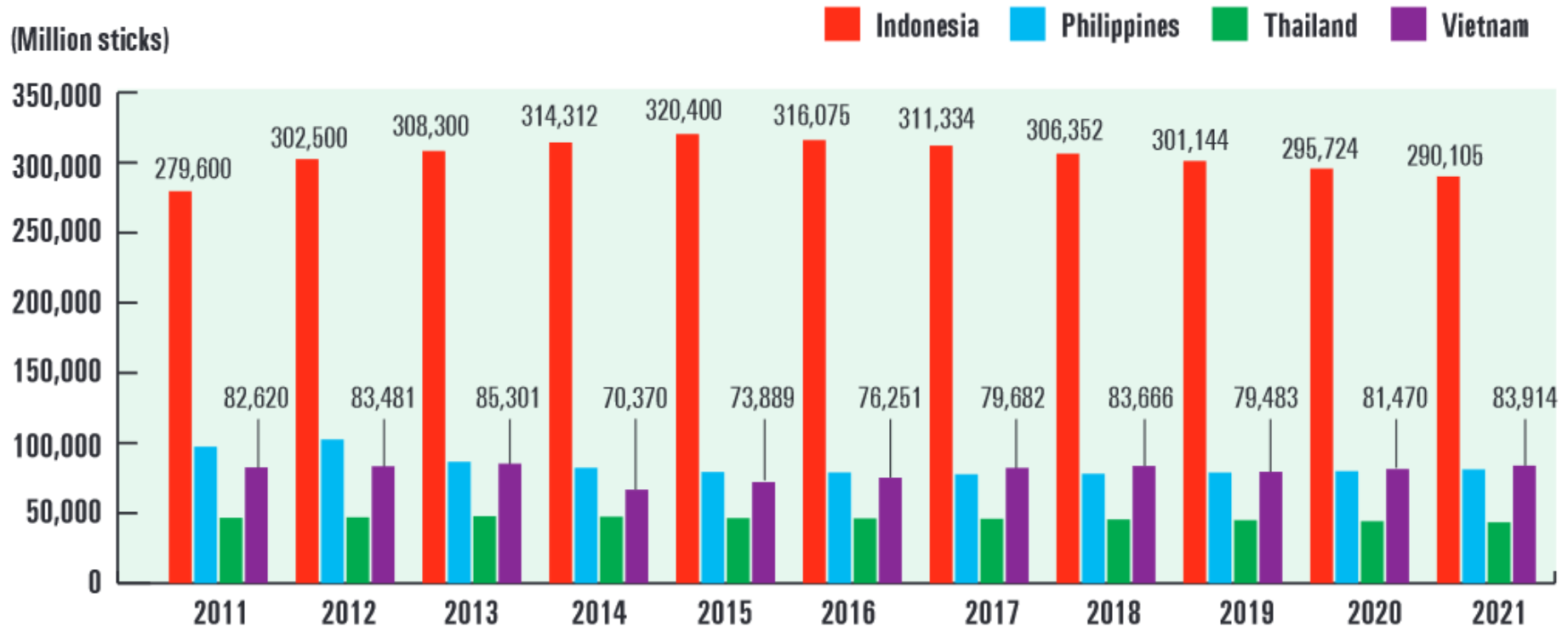
Source: Euromonitor International, 2019

In 2001, 43% of global market sales were controlled by the five leading transnational tobacco companies (TTC). By 2017, 80.6 of the market was controlled by TTC's

TA Target Markets – ASEAN Countries (Association of Southeast Asian Nations)

Cigarette sales volumes in ASEAN region (2011–2021)

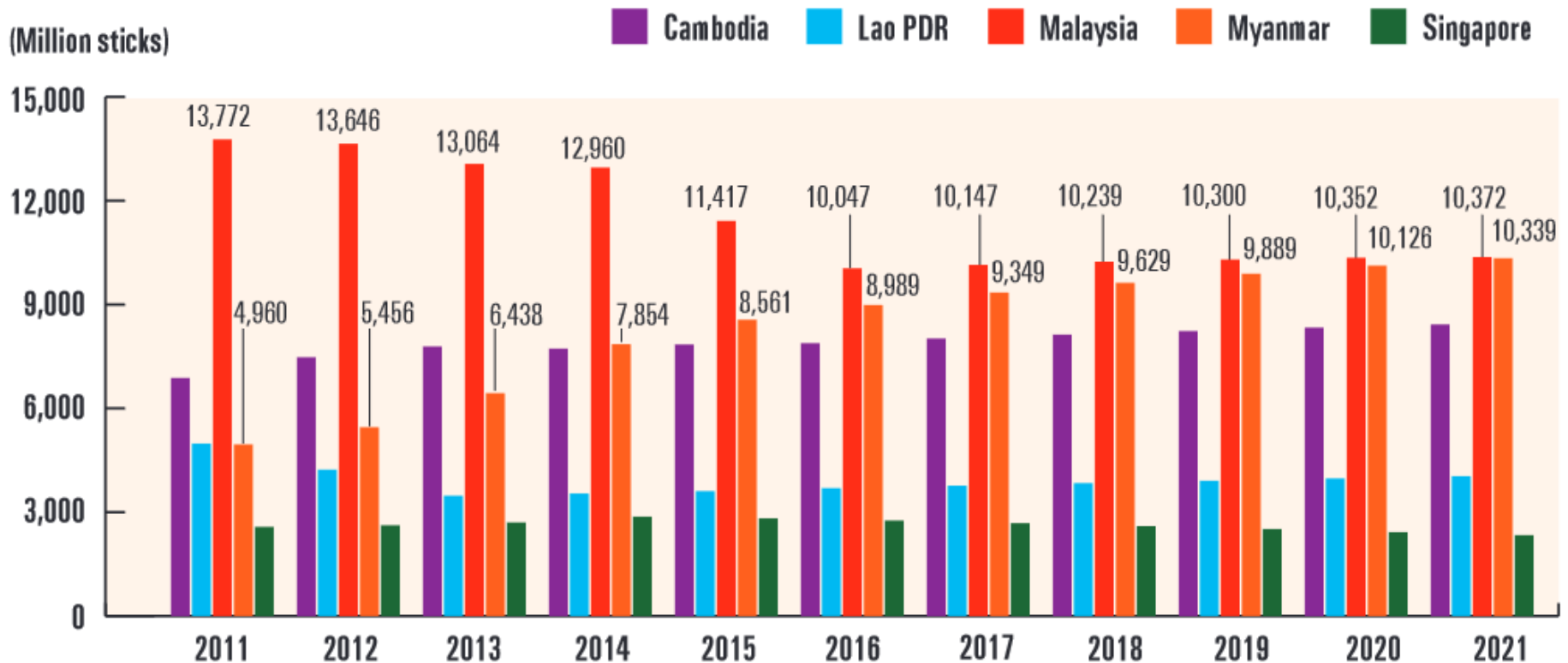
ASEAN countries with the highest cigarette sales volumes: Indonesia, Philippines, Thailand and Vietnam



Un-offical Indonesia Estimate: 340 Billion Sticks in 2019

Other ASEAN Markets

Sales of cigarettes in Cambodia, Lao PDR, Malaysia, Myanmar and Singapore



Cigarette production in ASEAN (2016)

(Million sticks)

Thailand
36,143

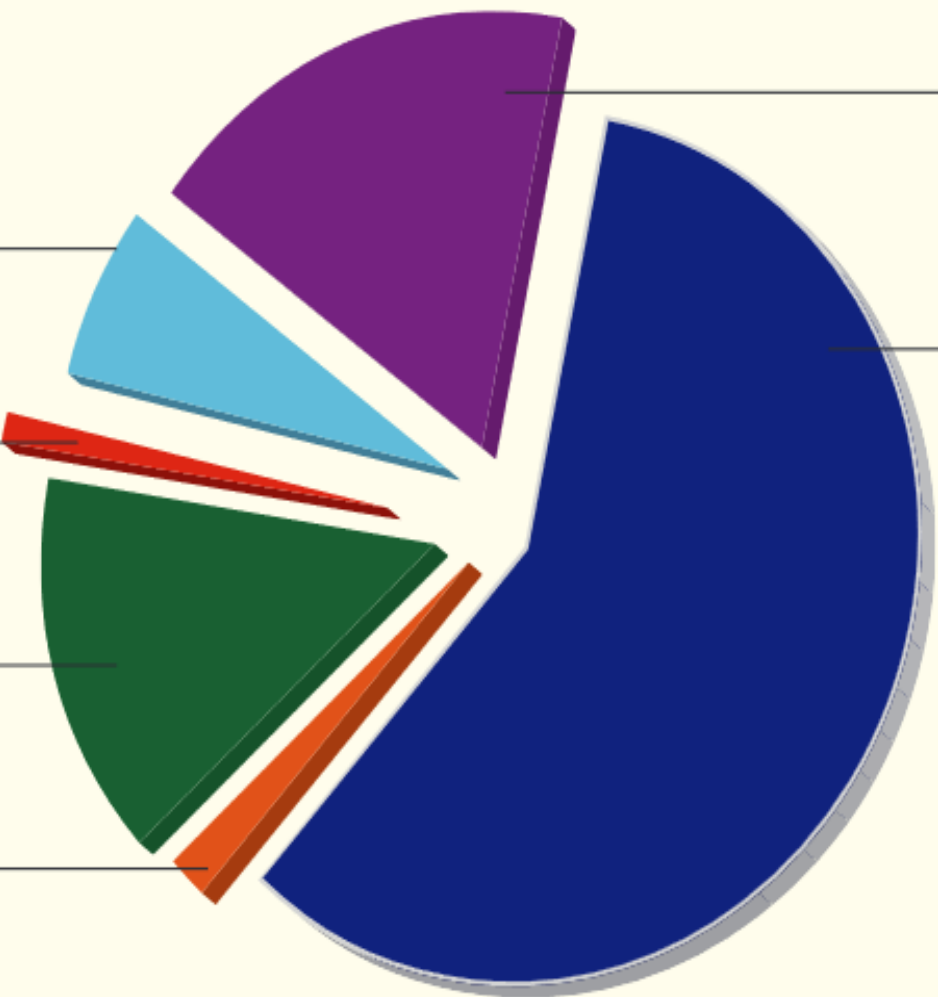
Singapore
6,698

Philippines
84,963

Malaysia
9,422

Vietnam
106,848

Indonesia
342,000



MENA REGION



➤ Egypt 90 Billion sticks per annum

➤ Algeria 40 Billion sticks per annum

➤ Morocco 20 billion sticks per annum

➤ Tunisia 18 Billion sticks per annum

➤ Lebanon 5 Billion sticks per annum

TOTAL = 173 Billion stick per annum

2020 Program Agenda



InterTabac InterSupply
Dortmund, Germany
September 18-20



On-site Product
Development Assistance
and Education - Vietnam



World Tobacco Europe
Sofia, Bulgaria
May 27-28



Trade Servicing – Europe, Asia,
Middle East, North Africa

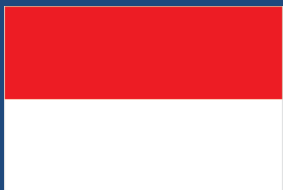
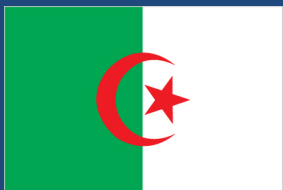


Product Development
Seminar - Indonesia



International Leaf Standards
Seminar (2) – Indonesia

2020 Trade Servicing Agenda



Algeria

Egypt

Indonesia

Philippines

Tunisia

Bulgaria

Germany

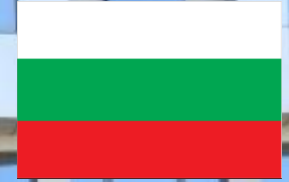
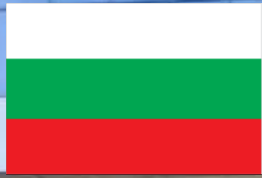
Lebanon

Thailand

Vietnam



World Tobacco Europe
Sofia, Bulgaria
May 27 & 28



inter
tabac



inter
supply



Messe Westfalenhallen



Inter-tabac
32. Internationale Fachmesse für Tabakwaren & Raucherbedarf
17.-19. September 2010
Westfalenhallen 4,7+8

Nur für Fachbesucher
Zutritt ab 16 Jahren

Messe Westfalenhallen Dortmund

Eingang Messe - Forum



Inter-tabac
32. Internationale Fachmesse für Tabakwaren & Raucherbedarf
17.-19. September 2010
Westfalenhallen 4,7+8

Nur für Fachbesucher
Zutritt ab 16 Jahren

Messe Westfalenhallen Dortmund

September 18-20

International Leaf Standards Seminar – Indonesia (2)



June or November (TBD)

On-site Product Development, Evaluations, Assistance and Training - Vietnam



Saigon Tobacco Company

Product Development Seminar - Indonesia



2020



2018

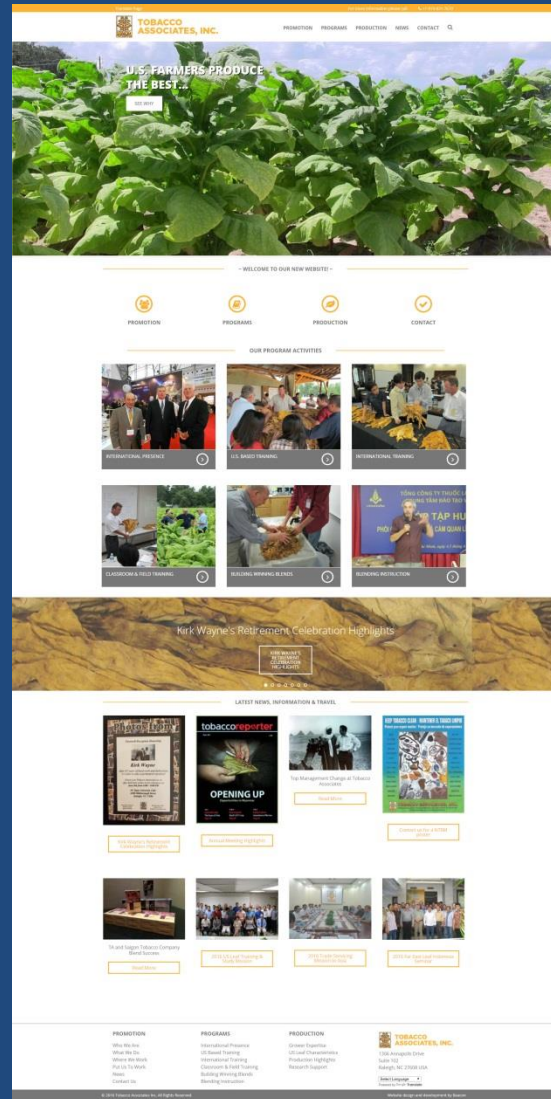


2017



2016

Latest news, information and travel-related activities



tobaccoassociatesinc.org

Tobacco Associates, Inc.



Boosting sales of US tobacco

Tobacco Associates, Inc.



THANK YOU FOR YOUR CONTINUED
SUPPORT!

TA Board Member Recognition



Mr. Allen Wooten



In Recognition & Appreciation
Of Your Twenty
Years of Service
To The
Board of Directors
Tobacco Associates, Inc.
2000-2019

Mr. Sam Crews



In Recognition & Appreciation
Of Your Thirteen
Years of Service
To The
Board of Directors
Tobacco Associates, Inc.
2007-2019

Mr. Alton Roberson



In Recognition & Appreciation
Of Your Ten
Years of Service
To The
Board of Directors
Tobacco Associates, Inc.
2010-2019

Allen Wooten



Sam Crews



Alton Roberson



THANK YOU

for your years of service to
Tobacco Associates, Inc.

(43 years of service combined)

