

tobacco

VOLUME 20 NUMBER 2

亚洲烟草

asia[®]

MAY / JUNE 2016 第2期 5月/6月

Nicotine: For Your Health?

尼古丁 为了健康?

Cigars
Made in Asia
雪茄 亚洲制造

Profile:
US Tobacco Coop
特写: 美国烟草合作社

Confused
E-Cig Regs
不确定的
电子烟法规

www.tobaccoasia.com

16-18 September 2016

www.intertabac.com
Dortmund, Germany

inter
supply





China - Great Wall Cigar factory

Cigars: Made in Asia

The largest cigar market growth in the last 10 years (in terms of value) has been in Asia, with China being the fastest growing country for consumption.

By Eric Piras

Even though nowadays the anti-smoking regulations somewhat dampen the aficionados' enthusiasm and affect consumption, the growing Asian middle class is still eyeing luxury brands and western products and is naturally becoming interested in cigars and cigarillos.

With a long historical presence and a strong retail network in the region, *Habanos* and *Davidoff* still dominate the market while newcomers from other production areas such as Honduras and Nicaragua are steadily carving out their own space, especially in Asian countries where affordable hand-made cigars in bundles are sought after, mostly for smokers converting from cigarettes who smoke a few cigars a day.

It is therefore easy to forget or ignore, but we also have a strong culture of tobacco growing and cigar or cigarette making closer to home. Though less well known than the brands born on the South American continent, three main countries are producing cigars in Asia: the Philippines, Indonesia, and China.

The historical tobacco-growing culture and high import taxes have favored a few manufacturing companies in the Philippines and Indonesia, and in these countries, cigar consumption is largely synonymous with local brands, for both hand-made and machine-made cigars.

Meanwhile in China, the cigar adventure – or, dare we say, “the cigar revolution” – has already started.

In the Philippines

Tobacco was introduced to the Philippines by the Spanish conquistadores when back in 1592, the galleon *San Clemente* brought in 50 kilograms of Cuban tobacco seeds. Philippine-made cigars, also known as Manila cigars, were being celebrated in Europe's smoking salons as early as the 17th century. The tobacco assumed the proportions of an industry around 1780 and became a monopoly from 1780 to 1881. One of the companies created at the time of the abolition was the *Compañía General de Tabacos de Filipinas S.A.* also known



Tabaqueria
- Independencia
1898 coronas



Tabaqueria - Flor de Filipinas Reserva panetelas

as “La Tabacalera”. In 1887, the company established “La Flor de Isabela”, the largest cigar factory in the world at the time. Today, it is known as Tabacalera Incorporada and is still the largest tobacco industry operator in the Philippines.

Some of the producers from the best areas are very professional and supply excellent tobacco to major machine-made cigar manufacturers. One of the most notable examples is probably Isabela Leaf Tobacco Co. Inc managed by Jose Pua, which produces first-rate dark air-cured tobacco from the province of Isabela in the Northern region of the Philippines.

Tobaccos from the Philippines, however, are not always simply a part of a nameless blend; they can also stand on their own in cigars enjoyed by aficionados the worlds over.

In addition to the pleasing bouquet or aroma and their light-colored “claro” wrapper, the Philippine cigars are usually quite light, enjoyable, and affordable and they are earning a growing recognition in international markets.

One of the companies enjoying a rising business is Tabaqueria de Filipinas, founded by Gabriel G. Ripoll Jr. in 1993. The company was born of his passion for cigars and his experience of over 40 years in the Philippine cigar industry; it is the largest cigar manufacturing company in the Philippines today.

Tabaqueria de Filipinas began as a five-roller operation located in a rented pre-war home in old Manila. Today, it is a company of over 200 employees housed in a new factory in San Pedro, Laguna, but Tabaqueria continues to hand-craft Philippine cigars in the traditional way and the tobacco is grown on their plantations in the Tubao Valley in Northern Luzon.



Tabaqueria - Flor de Filipinas cherry blossom flavored cigars

With a manufacturing capacity of 15,000 cigars a day, the company does private labelling and makes its own handcrafted narra boxes and humidors. About 60% of their production is exported, with domestic demand catching up in recent years.

For their main brands *Antonio Gimenez*, *Independencia 1898*, and *Flor de Filipinas*, they are proud of the fact that all the tobacco comes from the Philippines, except for the wrapper, which they source in Indonesia.

Gabriel Ripoll claims *Flor de Filipinas* to be “comfort cigars” with smooth, robust flavors.

In line with the trends for flavored cigars, some of their best-sellers are *Flor de Filipinas* cigars infused with rich flavors such as chocolate, honey, cherry, rum, and vanilla.

As a looking-forward company, they also produce cigars to suit many different tastes and occasions, and are more than happy to manufacture whatever their customers want, in long filler or short filler and with the customer’s own labels.

Djarum - Wood Tip Natural Leaf





Djarum - Dos Hermanos Churchill

In Indonesia

Blessed with humidity, sunshine, and volcanic soil, with a leaf-growing history dating back to the late 1700s, Indonesia has what it takes to grow tobaccos and Indonesian dark-air cured tobaccos are one of the largest raw materials used in cigar production around the world, mainly for machine-made and affordable hand-made cigars.

Two categories of tobacco account for most of Indonesian production: tobacco for cigarettes and tobacco for cigars.

Kretek, or clove cigarettes, are what Indonesians smoke the most. As the world's largest producer of cloves, Indonesia consumes over half its annual crop of cloves in the making of kreteks.

The first-ever workshop to produce the Djarum blend of kretek was established in 1951 by the company's founder. Today, with its 70,000 employees, Djarum is one of Indonesia's largest revenue generators and its modern factories are producing both hand- and machine-rolled kretek.

A company with a conscience and a vision, Djarum started its own cigar production in 2000, and today, has the impressive production capac-



Djarum - Spice Island

ity of 1,000 handmade cigars and 75,000 machine-made cigars per day.

Part of their cigar line, machine-made *Djarum Wood Tip Natural Leaf* boasts a Besuki (Java) wrapper, HTL binder, and a filler of clove and tobacco, and comes in several flavors such as cherry, rum, and vanilla.

Spice Island (machine-made) also offers the distinctive clove and tobacco blend filler, with a Besuki (Java) wrapper and binder.

In the more traditional cigar category, handmade *Dos Hermanos* is a quality cigar made from selected Indonesian and Brazilian tobaccos mixed together to create a unique taste.

These cigars are quite in favor on the Indonesian local market and the company is successfully exporting them to international markets, with impressive results especially for their machine-made cigars.

In China

The cigar industry in China is undergoing a transformation that might be dubbed a revolution.

China - Great Wall Cigar factory





China - Classic 8

China is a rapid developing market for cigars, driven by two key facts: the growing domestic demand for high-quality cigars and the development of the cigar industry in the country, lead by the China Tobacco Monopoly.

The size of the cigarette market is estimated to be around 6 times the size of Russia, 8 times that of the US, and 12 times the size of Japan. Obviously the cigar market is not even close to the cigarette volumes, and figuring out its exact size is quite a challenge, since China currently doesn't have a proper classification, meaning that hand-made cigars, machine-made cigars, and little cigars all belong to the same statistical category.

Cigars are not new to China; we have all seen photos of Chairman Mao holding a cigar, which he apparently started smoking (or so the story goes) in 1965, to help reduce a cough. According to history books, Chinese sun-cured tobacco was presented to the Emperors back in the Ming and Qing dynasties.

At the moment, China relies heavily on imported leaf tobacco, mostly from Indonesia,



China - Great Wall Cigar factory

Brazil, and the Dominican Republic, but experts believe China has regions with soils and climate favorable to grow cigar leaf tobacco. Shifang (Sichuan) and Hainan island have similar latitudes to Cuba and the Dominican Republic, and tobacco has been planted there for a few years now.

China has four cigar factories manufacturing hand-made and machine-made cigars: China Tobacco Sichuan Industrial Co. (CTSIC), China Tobacco Anhui, China Tobacco Hubei, and China Tobacco Shandong.

In 2011, CTSIC inaugurated their new cigar factory in Shifang (Sichuan province), the Great Wall Cigar factory, which represents an investment of over US\$100 million.

They are acquiring technology in areas such as tobacco cultivation, raw materials, blends, process, rolling, ageing, and maintenance, in order to guarantee good and consistent quality.

The quality of tobacco used in these factories has strongly improved. The knowledge they now need most is related to mastering the blending of their premium lines and, crucially, they need experienced master blenders such as those you find in most cigar factories of Central and Latin America.

These Chinese factories are also making huge improvements in the packaging and marketing of their production and we can expect to see some interesting products to reach the markets in the coming years, though there is still a lot to do.

Not all of these products are readily available in the cigar lounges of our modern cities, but they are definitely worth tracking down should you travel to these three countries. It's never a bad idea to broaden our experiences. So why not light up a *Djarum Wood Tip Natural Leaf*, a *Flor de Filipinas* or a *Great Wall Cigar No2* next time you're in their respective countries of origin? Who knows, you might even bring a box or two back home... ➡



China - rolling workshop