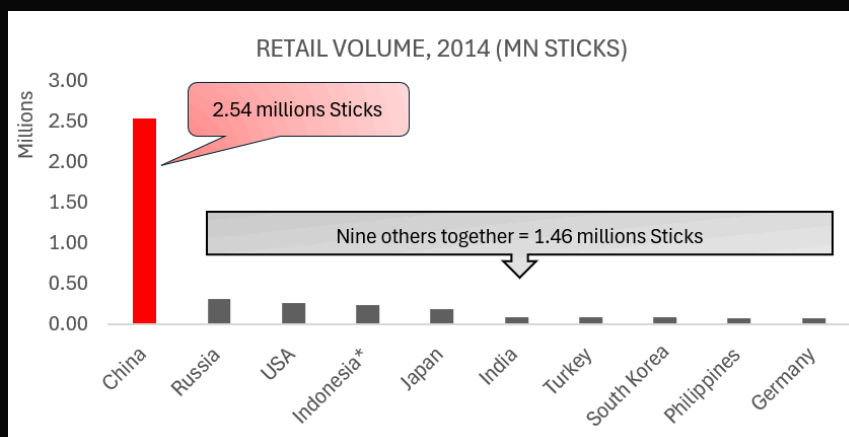


CHINA'S DOMINANCE IN THE GLOBAL CIGARETTE MARKET

CHINA VS. RUSSIA

In 2014, China emerged as the world's largest cigarette market, boasting a retail value of \$226 billion. This figure vastly eclipses that of the second-largest market, Russia, which stood at \$28 billion.



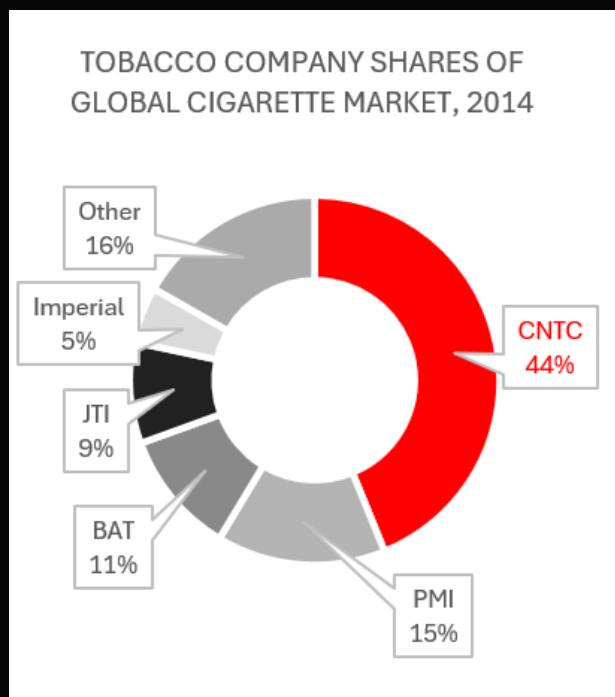
THE EPICENTER OF THE GLOBAL CIGARETTE MARKET

This immense figure underscores China's significant role and influence in the global tobacco industry, far surpassing other markets. The sheer size of China's market reflects both high domestic consumption and the dominant presence of the China National Tobacco Corporation, solidifying its position as a key player in the worldwide cigarette market.



GLOBAL CIGARETTE MARKET TRENDS (2012-2014)

Between 2012 and 2014, the global cigarette market saw a decline of 2.2%. However, this decline would have been more pronounced at 6.3% if not for the volume gains in China. China's substantial market growth significantly cushioned the global market against a sharper decrease. This illustrates China's pivotal role in influencing global market trends and underscores the importance of its domestic consumption in stabilizing the overall market.



MARKET DOMINANCE

China National Tobacco Corporation (CNTC) is the largest producer of cigarettes globally, holding 44% of the market share in 2014. The vast majority of CNTC's products are sold within China, driving the country's market value to \$226 billion. This dominance underscores China's critical role in global market trends and highlights the impact of its domestic consumption on the worldwide cigarette industry. Despite a global decline in cigarette volumes, China's market strength mitigates a steeper decline, showcasing its significant influence.