



World Health Organization

Regional Office for the Eastern Mediterranean

Islamic Republic of Iran

Tobacco industry profile

COUNTRY PROFILE

INDUSTRY



Trends

- The number of smokers in the Islamic Republic of Iran continued to increase in 2015 (1).
- 20.8% of men and 0.9% of women currently smoke some form of tobacco (2).
- Among youth aged 13–15 years, 32.9% of boys and 19.5% of girls use any tobacco product in 2007 (3).
- Smoking is significantly more prevalent in the younger female population (4.2%) compared with adult females (0.9%) (2).

Domestic

Iranian Tobacco Company

The Iranian Tobacco Co. maintained its market position in 2015, second for smoking tobacco and third for cigarettes, with a 32% volume share (10).



Products

- Cigarettes: 22.1% of men and 1.3 % of women smoke (2).
- Traditional waterpipe (*ghalioun*): remains the only significant category for smoking tobacco in 2015 (4).
- Cigars: consumption is low overall, yet volume sales increased by 3.6% in 2015 (5).
- Smokeless tobacco: 5.1 % overall youth; data unavailable for adults (2).

International

British American Tobacco (BAT)

- BAT had a constantly increasing share in the cigarette market from 2010 to 2015 (11).
- BAT is the leading player in the Islamic Republic of Iran for cigarette sales, accounting for 33.4% of volume sales in 2015 (11).
- Two cigarette brands which enjoyed especially impressive sales during 2013 were Kent Red and Montana Gold; these brands maintain a strong, positive image among Iranians (11).



Finance

- 6.9% of gross domestic product is spent on health in 2014 (6).
- Total per capita expenditure on health was US\$ 1082 in 2014 (6).
- The affordable unit price of cigarettes of less than US\$ 1 for a pack of 20 continues to play a key role in the increase in cigarette use (1).

Japan Tobacco International

- Japan Tobacco International raised prices on cigarettes in 2012 and lost an appreciable portion of its market share to British American Tobacco, which took full advantage by adopting an affordable pricing strategy (11).
- Japan Tobacco International has fallen to the third largest market share for cigarettes, now trailing British

	<ul style="list-style-type: none"> Total revenues from taxes on cigarettes amounted to 4582 billion IRR in 2012/2103 (7). 	American Tobacco (12).
 Mortality	<ul style="list-style-type: none"> Non-communicable diseases account for 76% of total deaths with tobacco use as a leading risk factor (8). 4% of total deaths were attributable to tobacco in 2004 (9). 	KT and G CORP <ul style="list-style-type: none"> Increased its market share for cigarette sales during 2013 through its popular brands, such as Esse (12). KT and G Corp's success in the category during 2014 was largely due to increased demand for low tar and ultra-low tar cigarettes (12). The company's market share increased from 1% in 2011 to 2% in 2012, remaining at 2% in 2013 (12). <p><i>"Philip Morris International is not currently in the Iranian cigarette market, but the company may enter soon due to the popularity of its brands among Iranian consumers" (12).</i></p>

BY THE NUMBERS

One fifth	of 13–15-year-old students had experimented with cigarettes, 2007 (13).
35.4%	of 13–15-year-old students live in homes where others smoke (3).
One out of 5	students are using waterpipe (13).
9.9 %	of the population are daily tobacco smokers (7).

TRADE

Trade statistics, volume, historical (14)

Year	2010	2011	2012	2013	2014	2015
Cigarettes produced (billions)	29.8	29.0	39.0	40.5	39.2	37.3

Trade flow (15)	Commodity	Trade value (million US\$)
Export	Cigarettes	0.34
	Unmanufactured tobacco	2.37
Import	Cigarettes	84.38
	Unmanufactured tobacco	79.54

MARKETING	TOBACCO-RELATED LITIGATION
<ul style="list-style-type: none"> Due to the complete ban on all forms of tobacco advertisement, companies have adopted other methods of reaching consumers (1). The British American Tobacco company started a retail engagement programme that uses anonymous promotional agents inside outlets to influence adult shoppers to switch to their brands. This ensures the company's products maintain an optimal level of visibility and accessibility to the majority of shoppers through offering gift products, even though the activity is banned by law (1). 	<p>No information on any litigation cases has been reported.</p>

NEXT STEPS

As a Party to the WHO Framework Convention on Tobacco Control (WHO FCTC), the Islamic Republic of Iran should continue to make progress in implementing tobacco regulation. It is recommended that the Islamic Republic of Iran focus on:

- fully operationalizing the Guidelines of Article 5 of the WHO FCTC at national level;
- introducing a multisectoral approach to the implementation of Article 5.3, within the implementation of the WHO FCTC;
- putting in place a mechanism to monitor the tobacco industry activities and report publicly on that if and when possible.

References

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