

JTI Romania, business of over EUR 1.1 billion, of which 78% taxes

Bucharest, July 19, 2020 - The turnover reported by JTI in 2019 for the two entities in Romania, JTI Trading and JTI Manufacturing, is over RON 5.4 billion (EUR 1.1 billion), increasing by 12.5% as compared to the previous year. 78% of this, namely RON 4.2 billion represents amounts transferred to the State: excise duties, VAT and other taxes, increasing by 27% vs. 2018.

The profit of the two JTI entities in 2019 was over RON 543 million, 13.5% higher than in 2018.

“2019 was a good year because there were no unexpected changes in the regulatory framework and the excise duty timeline was observed, being adjusted only to respond to the express requirements of the European Directive on the taxation of tobacco products. Due to this predictable and stable legislative and fiscal context, as well as due to the tireless efforts of the law enforcement authorities, which continued their actions in fighting the illegal trade, the average level of the black market was below 14% last year. Also, this year we shall continue to stand by the Romanian Customs Authorities and the Romanian Border Police, through supporting programs, as well as through the public campaigns against illegal trade. We hope that, at the end of 2020, we may report results at least as good as those of the previous year. During the pandemic, we did not lay off, nor send into technical unemployment any of our 1,200 people working in the headquarters, in the factory or the sales offices throughout the country. We have paid taxes and salaries; we have protected our people and we continued to work. Hoping that the tax policy and the regulatory framework will remain stable and predictable and that the legal market will not be disturbed, we want to continue our investments in Romania, to be a top employer and a trustworthy partner for the authorities”, stated Evgeny Nikolsky, General Manager of JTI Romania, Moldova and Bulgaria.

JTI is one of the first multi-national companies which started production in Romania. About 70% of the production of the Bucharest factory is exported, JTI Manufacturing being a center of excellence within the group, for the quality of execution and efficiency.

Romania is the third European manufacturer of cigarettes and the total value of raw and processed tobacco exports in 2019 was EUR 948.4 million, tobacco having a positive contribution to Romania's trade balance of approximately EUR 600 million.

According to the most recent budgetary execution announced, the revenues coming from excise duties for the tobacco products increased in the first part of the year by over 18% (year-to-year), which means that the tobacco sector is one of the soundest taxpayers to the State budget.

JTI started its activity in Romania in 1993 (as R.J. Reynolds) and was one of the first multinational companies which invested locally. JTI is actively involved in the community: the company is a partner of the Sibiu International Theatre Festival (SITF), the Transylvania International Film Festival (TIFF), of music tours in small cities and official sponsor of the Gigi Căciuleanu Romania Dance Company. JTI supports the Japanese Garden in Mihai I (Herăstrău) Park, the Tea House within the National Museum of Art and the Romanian - Japanese Studies Center within the Romanian - American University. “JTI Encounters”, an event launched in 2000, has been taking place without interruption for 21 years and has become a national cultural brand. From 2000 the Company has supported JTI Scholarships for Journalists, being also a partner of the EuropaFM Scholarships. JTI Seniors has been taking place from 1998, being a program under which 45 senior citizens receive a hot meal daily, and throughout the years the company has collaborated and continues to collaborate with Samusocial, Ateliere fără frontiere, ARC and other non-governmental organizations, supporting social projects which help people from disadvantaged categories from different regions of the country.

JTI is one of the largest worldwide manufacturers of tobacco and vaping products, operating in more than 130 countries. Having its headquarters in Geneva, Switzerland, JTI has over 44,000 employees, being a member of Japan Tobacco group. For more information, visit www.jti.com.