

JTI Romania's business at 1.3 billion euros, out of which 75% taxes

Bucharest, June 17, 2021 - As per the final financial reporting for 2020, the turnover registered by JTI last year for the two entities operating in Romania, JTI Trading and JTI Manufacturing, exceeds 6.3 billion RON (1.3 billion euros), over 16% increase compared to the previous year. 75% of the turnover, namely 4.8 billion RON, represents amounts transferred to the state: excise duties, VAT and other taxes, 13% increase compared to 2019.

The profit of the two JTI entities in 2020 is over 731 million RON, 34% increase compared to 2019.

"In a year of unprecedented crisis, we have shown that we are part of a resilient industry, reliable for the State Budget. In 2020, the legal sales increased because the black market fell at less than 10% for the first time in 15 years, fiscal policy was predictable, and the regulatory framework did not change unexpectedly. However, during the pandemic we also faced difficulties: people protection, shops closing, HoReCa industry restrictions. In 2020, the most radical anti-tobacco Bill was debated and rejected by the Parliament. The Bill included, amongst others, display ban of tobacco products and tobacco companies' sponsorship ban. If it had been adopted in the proposed form, it would have led to the expansion of smuggling and hit the cultural sector even more. Thus, we will continue to support the National Customs and the Border Police, as well as the community in which we work and live, through the social and cultural programs we have been running in Romania for more than 20 years ", declared Evgeny Nikolsky, General Manager JTI Romania, Moldova and Bulgaria.

JTI is one of the first multinational companies established locally, since 1993 and has so far invested in Romania over 250 million euros. Recently, the company announced 60 million euros investment for the next three years to upgrade the production capacities of the factory in Bucharest. Currently, about 70% of JTI Manufacturing's production is exported to about 50 countries.

After Germany and Poland, Romania is the third European cigarettes producer. According to the NIS (National Institute of Statistics), in 2020 total exports were over 1.3 billion euros, the positive contribution of tobacco industry to the balance of payments being about one billion euros.

According to the last budget execution, revenues from excise duties on tobacco products increased in the first part of the year by more than 12.5% (year on year), which means that the tobacco industry is one of the strongest contributors to the state budget.

JTI started its activity in Romania in 1993 (as R.J. Reynolds) and was one of the first multinationals which invested locally. JTI is actively involved in the community: the company is a partner of the Sibiu International Theatre Festival (FITS), the Transylvania International Film Festival (TIFF), SoNoRo Festival, musical tours in small towns and is also the official sponsor of "Gigi Căciuleanu Romania Dance Company". "JTI Encounters", an event launched in 2000, has become a national cultural brand. JTI supports the Japanese Garden in Herăstrău Park, the Tea House at the National Art Museum and the Romanian-Japanese Studies Center within the Romanian American University. Since 2000, the Company has been supporting JTI Scholarships for Journalists, also being a partner of the EuropaFM Scholarships and of Internship 2.0. Since 1998, the JTI Seniors program has been carried out, by means of which 45 senior citizens receive food and medicine every day. Throughout the years, the company has been cooperating with Samusocial, Ateliere fără frontiere, ARC and other NGOs, supporting inclusion projects which provide assistance to people from disadvantaged groups in various areas of the country.

JTI is a leading international tobacco and vaping company with operations in more than 130 countries. Headquartered in Geneva, Switzerland, JTI employs over 44,000 people, being a part of the Japan Tobacco Group of Companies. For more information, visit www.jti.com