



## Third Quarter Import Report

September 2023

### 1. OVERVIEW OF CIGAR INDUSTRY IMPORTS

#### 1.1. Large Cigars

The table below includes all four large cigar import HTS codes from the U. S. Census Bureau, Imports of Merchandise for Consumption IM-146 Report. As of September 30, 2023, imports year-to-date decreased by about 820 million cigars (down 12%) when compared to 2022 year-to-date. For a more detailed picture of large cigars imported, the graph on page 2 shows a YOY comparison of the four large cigar HTS import codes.

#### 1.2. Little Cigars and Cigar Leaf Tobacco

As of September 30, 2023, little cigar imports year-to-date increased by 13 million cigars (up 22%) when compared to 2022 YTD. During the same period, imports of cigar leaf tobacco year-to-date decreased by 1.7 million kilograms (kg) (down by 11%) when compared to 2022 YTD.

### YOY Comparison of Cigar Industry Imports

September 2023

U.S. Imports	2023 YTD	2022 YTD	Change	% Change
Large Cigars p.7	6.29B	7.11B	(820M)	(11.5%)
Little Cigars p.8	73M	60M	13M	21.5%
Cigar Leaf Tobacco * p.9	13.8M	15.5M	(1.7M)	(10.7%)

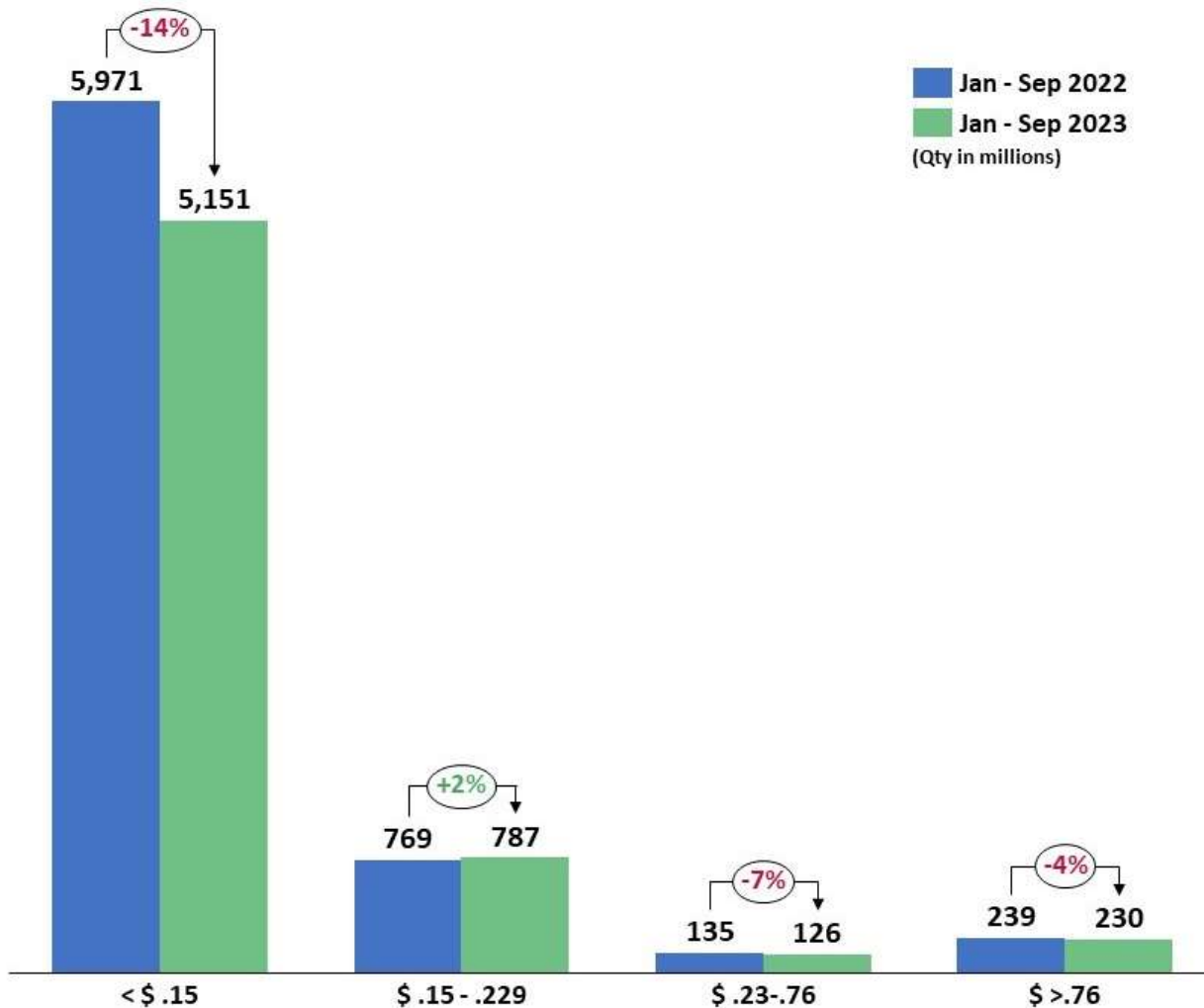
SOURCE: U. S. Census Bureau, Imports of Merchandise for Consumption, IM-146, based on data from the U. S. Customs Service.

\* Cigar leaf tobacco units in kilograms

## 2. LARGE CIGAR IMPORTS

### Large Cigar Imports by HTS Codes

September 2023



SOURCE: U. S. Census Bureau, Imports of Merchandise for US Consumption, IM-146, based on U. S. Customs Service data.

Large cigar imports in 2023 YTD were **6.3B** as compared to **7.1B** in 2022 YTD.

At the end of September 2023, total large cigar imports decreased by **820M (down 12%)** YOY.

#### HTS Codes (YOY):

(1) HTS Code x3070 < \$.15	<b>decreased</b> by 820M cigars or down by <b>14%</b>
(2) HTS Code x6000 \$.15 - .229	<b>increased</b> by 18M cigars or up by <b>2%</b>
(3) HTS Code x8050 \$.23 - .76	<b>decreased</b> by 9M cigars or down by <b>7%</b>
(4) HTS Code x8080 > \$.76	<b>decreased</b> by 9M cigars or down by <b>4%</b>

**SUMMARY:** Comparing 2023 with 2022 YTD, the only category that continues to show a YOY increase is the HTS code x6000 (\$.15-.229) which was up by 2% at the end of September 2023. By the end of September 2023, the HTS code x3070 (<\$.15) showed a decrease YOY of 820 million cigars or down by 12% which is a slight rebound from the prior month.

### 3. OVERVIEW OF PREMIUM CIGAR IMPORTS

Premium cigars account for just about 4% of the total cigar market (i.e., large cigars and little cigars). Imports of premium cigars are included in two of the four large cigar HTS codes in the U.S. Census Bureau IM-146 Report: 1) HTS Code 2402.10.8050 (U.S. Customs value between \$.23 and \$.76) and 2) HTS code 2402.10.8080 (U.S. Customs value of more than \$.76). The other two large cigar import HTS codes include only popular price or mass market large cigars.

The key supplier countries for premium cigar imports listed in these two HTS codes include the Bahamas, Costa Rica, Dominican Republic, Honduras, Mexico, Nicaragua, Panama (no activity in 2022 and so far in 2023), and the Philippines.

From January – September 2023, there was a total of **347.1 million cigars** imported from these eight countries. Within these two HTS codes, popular price or mass-market large cigars are included. CAA uses data from our manufacturer members to exclude mass-market large cigars from these HTS codes. Since CAA manufacturer members represent most companies of the large cigar market, excluding their import data of mass-market large cigar imports in these two HTS codes provides a better estimate of total premium cigars.

For this period, CAA estimated that premium cigar imports amounted to **338.9 million cigars**. As of the end of September 2023, CAA excluded 8.2 million mass-market cigars imported from the Dominican Republic that were included in HTS codes 2402.10.8050 and 2402.10.8080.

### Estimate of Premium Cigar Imports for U.S. Consumption

September 2023

(Quantity of units in thousands)

Country of Origin	2023 YTD	2022 YTD	Change	% Change	2023	2022
					\$ VALUE PER 1,000 CIGARS	
Nicaragua	181,406	186,256	(4,850)	-2.6%	\$1,328	\$1,224
Dominican Rep.*	104,262	92,105	12,157	13.2%	N/A	N/A
Honduras	51,924	62,286	(10,362)	-16.6%	\$1,263	\$1,246
Costa Rica	811	770	41	5.3%	\$1,456	\$1,434
Philippines	360	-	360	-	\$264	-
Mexico	89	38	51	134.2%	\$1,472	\$1,232
Bahamas	14	24	(10)	-41.7%	\$1,302	\$1,383
<b>TOTAL</b>	<b>338,866</b>	<b>341,479</b>	<b>(2,613)</b>	<b>-0.8%</b>		

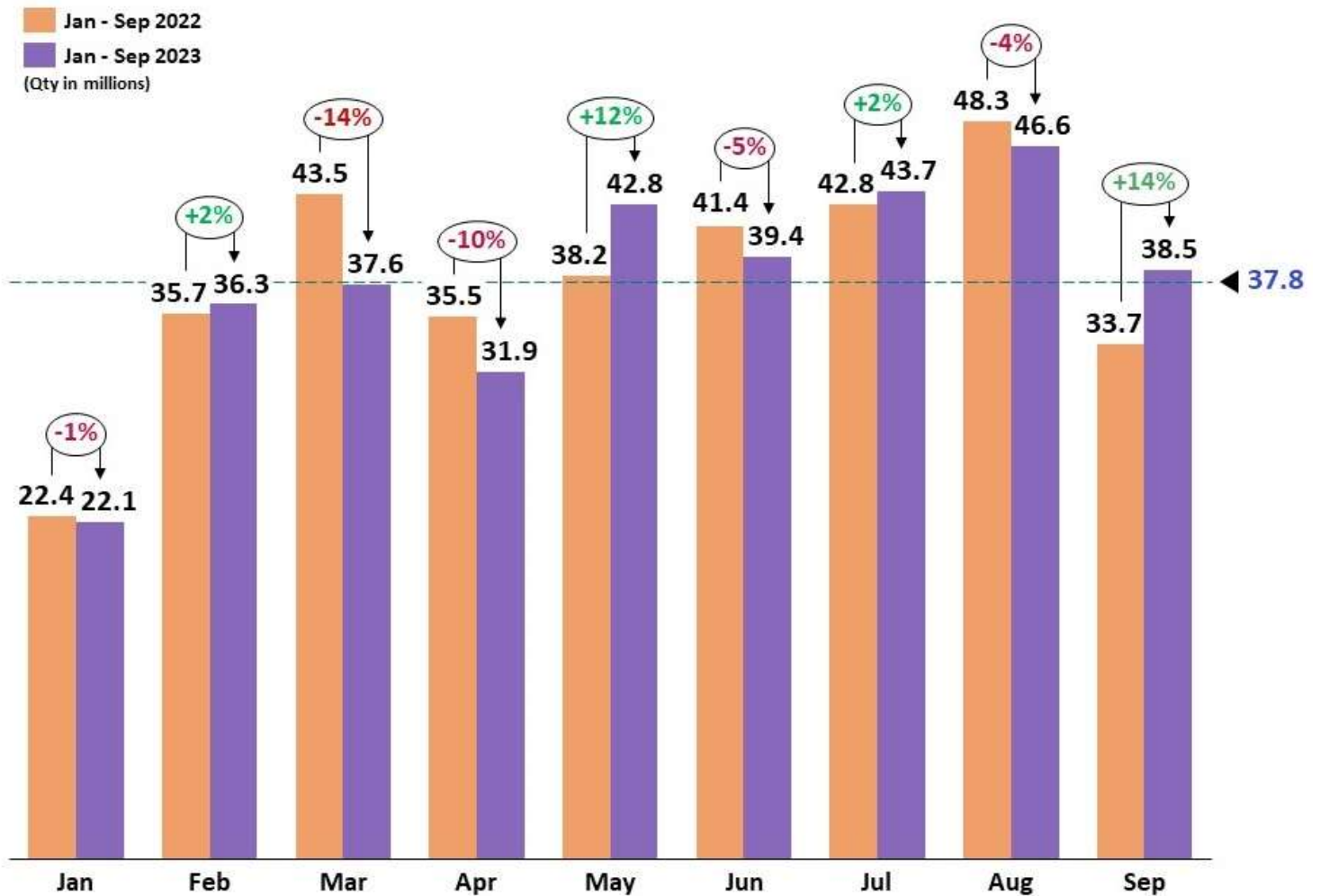
SOURCE: U. S. Census Bureau, Imports of Merchandise for U.S. Consumption, IM-146, based on data of the U. S. Customs Service.

\* Values not fully known due to estimate based on units only.

When comparing September 2023 YTD with the same period in 2022, premium cigar imports have a slight decrease from 2022 of just under 1%. At the end of August 2023, premium imports were down 3.2% as compared to 2022 for the same eight-month period. On the next page, there is a monthly comparison of premium imports in 2023 with 2022.

# Estimated Premium Cigar Imports

September 2023



The bar chart above for Estimated Premium Cigar US Imports shows a 14% increase for the month of September. As of the end of September, premium imports were down just under 1% for the year when compared to the same period in 2022. The premium market remains resilient.

The low point of the year so far was at the end of April when premium imports were down almost 7% when compared to the first four months in 2022.

By the end of September 2023, premium imports have climbed back to almost a breakeven level by being down just under 1% when compared to 2022 for the same period.

## SUMMARY

While popular price, mass market large cigars are down about 11% as of the end of third quarter in 2023 when compared to the same period in 2022, premium cigar imports are down less than 1% when comparing Q3 2023 with Q3 2022. The strong import years for premium cigars in 2021 and 2022 appear to be continuing into 2023.