

# ECONOMIC IMPACT OF TOBACCO IN EUROPE

## CONTRIBUTION TO GDP



10.9%

higher than telecommunications sector (€130.3 billion) and textile industry (€71.5 billion) combined

**€224**  
BILLION TO GDP  
(1.3% OF EU GDP)

Contribution equivalent to 4.7 days of Europe GDP. By April, the industry already contributed more to GDP than the mining sector does in a year (€67.6 billion).

## TAXES

Total revenue: €112.9 billion

- Excise duties: €83.3 billion
- VAT on tobacco: €29.6 billion

Without these taxes, the plastic levy would need to rise from €0.80 to €12.6 per kg.



Tobacco tax revenues cover:

- Waste management (€56.9 billion), fire protection services (€37.8 billion), and prison costs (€24.6 billion) combined
- 55.4% of total defense spending

Funds 5.3 days of total government spending

## EMPLOYMENT



1.1%

of total employment in the EU



2,124,309

jobs in the tobacco value chain

The tobacco value chain generates 2,124,309 jobs, representing 1.1% of total employment in the EU.

The tobacco industry employs as many people as the entire population of Vienna (2.1 million).



30

additional jobs for each direct job in production



1/94

tobacco-related jobs

Replacing tobacco-related jobs would require the beverage manufacturing sector to grow 600% (435,400) or the financial sector to expand by 68%.

## WAGES

**€60.7**  
BILLION  
ANNUAL

Average salary among direct workers: €41,000/year

The tobacco industry's average gross salary in the industry is 5% higher than the European average salary

## PRODUCTIVITY



Labor productivity among direct workers (excluding the value chain): 95.3



Labor productivity among direct workers compared with national average: 1.9

## SALES



**€333.4**  
billion in annual sales



**€620,000**  
in the value chain for every €1 million in direct sales

Tobacco and its value chain in the EU generate €333.4 billion in annual sales. Every million euros in direct sales generates an additional €620,000 in value chain activity.

## ILLICIT TRADE

35.2 billion illicit cigarettes per year (8.3% of the total)

Vape illicit imports from China could be worth more than 10 billion Euros

Tax loss: €11.6 billion/year

This amount could help EU governments to increase their spending on healthcare research by 52.5%

## INTERNATIONAL

Tobacco exports: €23.7 billion/Year

Tobacco exports exceed sugar exports by 28% (€18.5 billion)

3 times higher than that of clocks, watches, and their parts (€8.9 billion)

## RETAIL

684,600 shops selling tobacco products in total

Employing 541,000 people and 7.1 billion in wages in the tobacco retail sector



European Policy  
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