

CYTREL NEWS REPORT

'Tobacco Supplement - The Way Ahead for Modified Cigarettes

by John E. Offerdahl*

Social and economic conditions are emerging which strongly indicate that tobacco supplements are becoming a factor in the modification of cigarettes. The initial use of cigarettes containing Cytre tobacco supplement occurred in West Germany late in 1974 and was followed quickly by a similar introduction in Switzerland the next year. The latest evidence of the growing international interest in supplements is the announcement by a leading Israeli cigarette company that it plans to introduce brands containing Cytre tobacco supplement this year. The recent full-scale launch in the UK on July 1, 1977, of 12 new brands containing supplements is evidence of cigarette manufacturers' interest, and the British tobacco industry expresses confidence it will achieve long-term success with this new development.

In Britain, the cigarettes were launched against the background of public attention and with the clearance of the Independent Scientific Committee on Smoking and Health, "Hunter Committee", a group of eminent scientists, set up by the British Government, which established scientific guidelines and research protocols for the use of tobacco supplements.

Cytre is one of the two supplements which were given the go-ahead by the Hunter Committee. It had undergone 20 years of research and development by the Celanese Corporation which entailed investment in excess of 20 million dollars. A further 9 million dollars had been spent in conjunction with Cytre's two principal customers in the UK—Rothmans International and Gallaher—who formed a consortium to undertake a scientific evaluation programme to meet the Hunter Committee guideline requirements.

There was considerable pre-launch media speculation that tobacco supplements could capture as much as 10 percent of the UK market in the very near future. While there is justification for optimism, such strong projections are unrealistic. It is obviously much too early to identify specific levels of demand, and industry sources anticipate possibly up to a 3 percent share of the market for supplement-containing cigarettes by the end of 1977.

With Cytre, Celanese offers a new technique in addition to those already available to the cigarette industry to produce milder cigarettes. The advent of tobacco supple-

ments follows as a logical development of filters and comes at a time when today's consumer is actively seeking milder cigarettes. This trend is evident in many countries. For example, in Britain close to 20 percent of the cigarettes sold are less than 15 mg. of "tar"—somewhat more for the United States. In Switzerland, the figure is about 30 percent, while in Germany about 80 percent fall into this range. Estimates suggest that by the mid-80s mild cigarettes could account for from 60 to 80 percent of all cigarettes sold, particularly in industrialised countries.

Celanese is an acknowledged leader in smoke chemistry. Its association with tobacco industry began in the mid-1950s as a supplier of acetate filter tow (used to produce the acetate filter tip) and is currently a leading international supplier.

Today, over 60 percent of the world's cigarette production is tipped and the most significant growth in cigarette filters has been those containing cellulose acetate. Filters have made a significant contribution to the production of mild cigarettes, and Cytre now is poised to expand this role as smoking habits continue to change.

Cytre is produced in Cumberland, Maryland, the world's first commercial plant to manufacture a tobacco supplement. This manufacturing facility became operational in late 1975 and presently has an annual capacity of 9,000 tons a year, with provision for rapid expansion.

In cigarettes, outstanding Cytre properties are: tobacco-like appearance, processes

similarly to tobacco, contains one-third to one-seventh the "tar" of tobacco, contains no nicotine, reduces gas phase deliveries, introduces no new smoke compounds, reduces many smoke compounds, offers reproducible and stable supply, requires no extended storage, provides attractive economics.

In addition to the social pressures in favour of milder cigarettes and the use of tobacco supplements, economic factors and the constant question mark regarding future availability of tobacco leaf are other forces to be considered.

The problems facing tobacco manufacturers are highlighted by the latest situation in the United States' adverse weather conditions are severely affecting the 1977 crops of flue-cured tobacco and the latest estimate is that it may decline by 23 percent from the prior year. Quality of this year's crop is good, and average auction prices are at a record high. The Burley crop is also reduced and a 7 percent decline is forecast, which would be the lowest crop in 4 years. Here too, quality is unlikely to be different than in 1976—yet prices are expected to rise by about 7 percent when marketing of the 1977 crop begins.

An independent report on the prospects for unmanufactured tobacco until 1984, produced by the London-based Economist Intelligence Unit, "EIU" supports the economic argument in favour of tobacco supplements. The EIU says "Tobacco is likely to remain in short supply and prices paid to the producers will as a consequence, rise. There would appear to be too many possible negative influences on production which are not balanced by restraints on consumption for tobacco to move into surplus".

Celanese believes that Cytre tobacco supplement is of value to the manufacturer in overcoming his cyclical problems of tobacco supply and his ever rising leaf costs.

* Market Director, Cytre Tobacco Supplement, Celanese Filters Marketing Company.

(Reprinted from *Tobac-Journal International*, Mainz, October 1977)

CYTREL INFORMATION SERVICE

Further information and photographs on Cytre Tobacco Supplement can be obtained from Daniel J. Edelman Ltd., Stanhope House, Stanhope Place, London W2 2HH. Contact David Davis, Telephone number: 01-723 3444.

Cytre is a registered trade-name of the Celanese Corporation, 1211 Avenue of the Americas, New York, NY 10036, USA.

110083933

BATCo document for Province of British Columbia 22 April 1999