



Around The World

Mergings...

As collectors, we naturally concentrate on our covers, and, as Americans, we also tend to be substantially more ethnocentric than other nationalities. Thus, most of us probably don't pay attention to the 1) manufacturing end of the covers and boxes we collect, and 2) the goings on with overseas manufacturers...but, it's my opinion that, as collectors, the more we know about the industry at large, the more we know about our hobby. So, to that end, I give you a brief report on recent machinations of major foreign manufacturers. And, there have been some recent major events...namely the disappearance (as independent entities) of two of the world's biggest manufacturers: WIMCO of India and SEITA of France.

Swedish Match, which has been the world's largest match manufacturer for decades and decades, has been expanding worldwide at a truly awe-inspiring rate. Witness just the last few years of acquisitions:

-1997 - Swedish Match acquired R. J. Reynold's cigar production in Finland, corresponding to more than 60 per cent of the Finnish market. Swedish Match also acquired a majority holding in two investment companies in Singapore that owned 39 per cent of the shares of Indian match company **Wimco Ltd**, one of the largest match manufacturers in the world. A majority interest was also acquired in **PLAM Bulgarski Kibrit**, Bulgaria's only match manufacturer, and an agreement was signed with Turkey's **KAV Oman Sanayii** to set up a joint venture to manufacture matches and other Swedish Match products in Turkey and other countries in the region.

-1999 - Acquired the American company General Cigars' cigar activities within the mass market sector. This not only consolidated Swedish Match's global position in cigars but also strengthened the American sales and distribution operations. Within the premium cigar sector, the company acquired El Credito, one of the USA's foremost premium cigar companies. These acquisitions brought such well-known brand names as La Gloria Cubana and Garcia y Vega into the Group. The company also acquired Leonard Dingler Ltd, a South African company that both manufactures and markets moist snuff (snus) and pipe tobacco.

-2000 - Swedish Match acquired an additional 22 percent in **Wimco Ltd** in India. (This gave Swedish Match 74 percent of the equity in the company. 64% of General Cigar Holdings (Premium Cigars) and the distribution company Brasant in South Africa were acquired.

-2001 - South African pipe tobacco operations were acquired. Dry snuff operations in Continental Europe were acquired as of October. Various sales and distribution companies acquired.

Meanwhile, in 1999, France's long-time national manufacturer, **SEITA**, disappeared in a merger with the Spanish company, **Tabacalera**, creating **Altadis**, now a major force in the European tobacco industry. This also made Altadis the number one cigar company in the world with a 24.7 % global market share in 1998.