



C.E.D.T.

CONFÉDÉRATION EUROPÉENNES DEL DÉTAILLANTS EN TABAC (G.E.I.E.)



SPANISH TOBACCONISTS



**UNIÓN DE
ASOCIACIONES
DE ESTANQUEROS
DE ESPAÑA**



Mario Espejo

Mario Espejo was born in Malaga in 1956. He has a degree in Law and Business Administration.

Espejo has worked in the tobacco industry for the last 30 years. He was the first president of UTS (the Union of Tobacco Services), a subsidiary company of Tabacalera (currently known as Altadis) and he was the board secretary of UCESA S.A. (the tobaccoists' trade union). He was Financial manager and Institutional Relations Manager at the Tobaccoists' Union.

In 1995, he was elected president of the Association of Tobaccoists in Malaga. He has been Chairman of the Union of Tobaccoists since 2010 and Chairman of the European Confederation of Tobacco Retailers since 2017.

THE UNION OF TOBACCONIST ASSOCIATIONS IN SPAIN

OVERVIEW OF THE PROFESSIONAL ORGANISATION:

Organisation and missions:

The Union of Tobaccoist Associations in Spain is a non-governmental organisation, which was created in 1992. This trade association is set up as a federation and comprises regional organisations, which, together, include over 8,000 shops in Spain.

The Union of Tobaccoists' objective is to defend the interests of tobaccoists, protect the network of tobacco points of sale, provide legal assistance to members, promote and research new activities and products for shops, defend their rights, and so on and so forth.

The Union of Tobaccoists' is the most representative tobaccoist organisation and, as such, it participates in the Commissioner's Advisory Committee for the Tobacco Market. This allows the union to voice the opinion of tobaccoists and express their concerns and suggestions.

The Union of Tobaccoists is a member of the Mesa del Tabaco, an organisation that includes all entities related to the tobacco value in chain Spain, with the purpose of working together for the future of the industry.

Objectives:

Defend the transformation of shops into competitive and modern establishments, by providing shops with the most modern tools with respect to both management and communication in order to improve their client and supplier relations, thus saving on operational costs and increasing profitability.

Promote the transformation of shops into competitive and modern establishments, by providing shops with the most modern tools with respect to both management and communication in order to improve their client and supplier relations, thus saving on operational costs and increasing profitability.

Increase the professionalism of shops through ongoing training both in specific matters related to their status as Authorised Dealers and in general matters related to business management, with a particular focus on anything related to new technology.

New times, new shops:

Over the last few years, tobacco sales in Spain have fallen by approximately 50%. In 2008, over 90 billion cigarettes were sold in Spain but barely 46.5 billion were sold in 2015.

It is crucial that the business diversify in order to guarantee its longevity.

Since the recent modification of the Regulations of the State's Retailer Network, there has been a process to reorientate business, which will propel these shops forward as part of a modern network for the distribution of tobacco and other products and will guarantee a present and future for over 33,000 families who depend on this retailer business.

THE TOBACCO DISTRIBUTION SYSTEM

Supply and logistics system:

The distribution of tobacco to shop suppliers is provided for by authorised warehouses that operate under a duty suspension regime (excise taxes and VAT). These taxes beco-

me chargeable as soon as the product is issued for consumption. The product is deemed as issued for consumption once sold to buyers.

Sales network model:

The retail sale of tobacco products is restricted to

the state, which has entrusted this to shops with licenses and has delegated the process of awarding the licenses to the Commissioner for the Tobacco Market, which reports to the Ministry of Finance.



WHAT ARE THE SHOPS?

An organisation of points of sale:

The network includes 13.505 tobacco retailers that serve approximately 11 million consumers.

What are the shops?

They are small family-run shops that sell at a retail level thanks to a system of state licenses.

These Spanish shops are currently faced with a wave of change and must

adapt to the new legislation and new market conditions.

The compensation received by tobacco retailers is based on a fixed percentage of the retail price.



TOBACCO TAX REGIME

Cigarettes: the Spanish state receives 82% of taxes on public sales. Regional governments receive approximately 58% of excise taxes on tobacco.

The remainder is divided between producers, distributors and retailers.



A VARIETY OF PRODUCTS AND SERVICES

Spanish tobacco retailers have recently been authorised to sell a new range of products and services and there is now an ongoing adaptation procedure.

NATIONAL LEGISLATION FOR THE REGULATION OF TOBACCO RETAILERS

Selling tobacco products to minors under the age of 18 is prohibited.

MAIN INFORMATION

- € 12 billion in sales;
- € 9.1 billion taxes collected (of which 7.1 billion are excise taxes and 2.01 are VAT);
- 11 million smokers;
- Over 26,000 tobacco retailer positions.



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