

SPECIAL REPORT NO.

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Shanghai, China, January 23, 1933.

(City)

(Country)

(Date)

166874

Subject: 1932 TOBACCO TRADE OF SHANGHAI.Submitted by: A. Bland Calder,

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(Title)

GOVERNMENT PRINTING OFFICE 11-9138

Leaf tobacco imports into Shanghai from the United States during the eleven months period ended November 30 totalled 59,000,000 lbs., a heavy drop from the 1931 figures which for that entire year totalled 143,605,000 lbs. The reduction in 1932 was due to the fact that large stocks of old crop leaf were on hand at the beginning of the year and large quantities of the 1931 crop from America were shipped early and arrived in Shanghai before the end of that year, whereas with the 1932 crop shipments were later and the bulk of the shipments to China have yet to arrive. Extremely low prices prevailed during the first several months of the year but with the shorter crop in the United States in 1932 with rising prices Shanghai importers have been able to move considerable quantities of the overstocks of old crop leaf at better prices than prevailed earlier in the year, though losses had to be taken on most of it due to the very high prices obtaining in the home market during the year of purchase. Stocks of American leaf in Shanghai are considered normal for current requirements and importers expect to be able to supply a normal demand though a shortage of American leaf may possibly develop in the month or so prior to receipt of the 1933 crop if an unexpected volume of demand develops this year. The importers of leaf tobacco in Shanghai reorganized in November 1932 the Shanghai American Leaf Tobacco Board of Trade and are taking steps to adopt a uniform policy for the extension of credit on leaf sales which should greatly assist the marketing situation. China's bright flue cured crop for 1932 is estimated at 50,000,000 lbs. for Shantung, 25,000,000 lbs. for Honan, and about 5,000,000 lbs. for Anhwei province, or a total of 80,000,000 lbs., or about 6,000,000 lbs. below last year's production. The Shantung crop is regarded as inferior as to quality and color though prices obtained by the farmers were about the same as last year, when a speculative market with prices perhaps higher than warranted prevailed. The 1932 Honan crop is regarded as excellent as to color though not so good as to body. Very little of it has yet appeared on the Shanghai market though such as has arrived has been grabbed up at good prices.

Cigarette imports continue to fall off, the figure for all China for eleven months ending November 30 amounting to only 664,000,000 pieces as compared with 2,942,000,000 pieces in the twelve months of 1932. Unfavorable silver exchange, the high tariff, and the development of brands locally which are comparable in blend to the popular imported brands is having the effect of reducing this trade to small proportions.

A new tariff rate on leaf tobacco announced toward the end of the year and effective January 10, 1933, eliminate former classes B and C (Tariff No. 388) and substitutes a single class B which includes virtually all American cigarette tobacco at a new tariff rate of Gold Units 4 per picul, which is equivalent to \$1.20 U.S. currency per 100 pounds. The new schedule eliminates any question of the value of cigarette tobacco for classification and removes any question on the part of customs appraisers as to the tariff rate applicable, hence is regarded both by the trade and the Customs as a better arrangement than that which existed prior to the change. It does not represent an increase in tariff but a mean between the two rates previously in force.

September and Jan. thro Sept. 1932

Detailed statistics of imports of Cigarettes and Leaf Tobacco into China for September and for January through September, 1932, and for Leaf Tobacco and Cigarettes into Shanghai for October and November, 1932, are attached to this report.

ABC:DK.	27,800	23,535	250,000	170,000
Inclosures.	22,597	1,500	100,000	70,000
Japan			1,000,000	500,000
U. S. A.	2,511,557	514,562	51,000,000	20,000,000
Other Countries	119,332	25,700	1,000,000	500,000
Gross Imports	2,570,286	575,307	53,000,000	21,000,000
Re-exported through	20,000	25,115	1,000,000	500,000
Net Imports	2,550,286	550,192	52,000,000	20,500,000

A. Bland Calder,
Assistant Commercial Attache.

CLASSIFICATION	Quantity	Value	Quantity	Value
ABC:DK.	27,800	23,535	250,000	170,000
Inclosures.	22,597	1,500	100,000	70,000
Japan			1,000,000	500,000
U. S. A.	2,511,557	514,562	51,000,000	20,000,000
Other Countries	119,332	25,700	1,000,000	500,000
Gross Imports	2,570,286	575,307	53,000,000	21,000,000
Re-exported through	20,000	25,115	1,000,000	500,000
Net Imports	2,550,286	550,192	52,000,000	20,500,000

NET EXPORTS OF TOBACCO
FROM CHINA
September and Jan. thro Sept. 1932.

Classifier	Quantity	September		Jan. thro Sept.	
		Quantity	Value	Quantity	Value
Cigarettes	500's	100,000	200,000	1,151,977	2,465,000
Cigars	Boxes of 50	10,000	20,000	57,950	104,394
Shag Leaf	Pounds	2,350,000	544,000	40,000,000	10,000,000
Tobacco Prepared	"	20,000	5,000	10,000	77,921
Tobacco S.O.S.	"		2,000		700,000
Total Value			642,000		13,647,315

See Gold Sheet 2 UNDO. 20.

IMPORTS OF TOBACCO
INTO CHINA
September and Jan. thru Sept. 1932

<u>CIGARETTES</u>	<u>September</u>		<u>Jan. thru Sept.</u>	
	<u>500's</u>	<u>G. Unit</u>	<u>500's</u>	<u>G. Unit</u>
Canada	--	--	--	--
Egypt	132	1,184	998	10,556
Great Britain	67,306	181,332	691,095	1,631,688
Hong Kong	22,292	31,295	329,113	452,755
Japan	--	--	34,540	31,001
Russia & Siberia	--	--	4,830	4,238
U. S. A.	10,324	35,311	140,137	475,223
Other Countries	3,263	4,370	82,510	82,115
Gross Imports	104,017	253,492	1,283,223	2,687,576
Re-exported Abroad	120	750	131,246	221,510
Net Imports	<u>103,897</u>	<u>252,742</u>	<u>1,151,977</u>	<u>2,466,066</u>

<u>LEAF TOBACCO</u>	<u>September</u>		<u>Jan. thru Sept.</u>	
	<u>Pounds</u>	<u>G. Unit</u>	<u>Pounds</u>	<u>G. Unit</u>
Great Britain	39,200	20,935	250,000	191,390
Hong Kong	12,267	1,809	584,934	84,641
Japan	--	--	1,494,133	242,307
U. S. A.	2,311,867	514,559	41,292,133	10,397,790
Other Countries	110,933	33,756	1,489,867	233,419
Gross Imports	2,474,267	571,061	45,111,067	11,149,547
Re-exported Abroad	85,733	26,115	4,247,867	1,097,544
Net Imports	<u>2,388,534</u>	<u>544,946</u>	<u>40,863,200</u>	<u>10,052,003</u>

NET IMPORTS OF TOBACCO
INTO CHINA
September and Jan. thru Sept. 1932.

	<u>Classifier</u>	<u>September</u>		<u>Jan. thru Sept.</u>	
		<u>Quantity</u>	<u>G. Unit</u>	<u>Quantity</u>	<u>G. Unit</u>
Cigarettes	500's	103,897	252,742	1,151,977	2,466,066
Cigars	Boxes of 50	13,202	36,352	67,968	184,394
Tobacco Leaf	Pounds	2,388,534	544,946	40,863,200	10,052,003
Tobacco Prepared ..	"	26,933	5,698	218,667	77,991
Tobacco N.O.S.			2,256		703,574
Total Value			<u>642,194</u>		<u>13,484,037</u>

One Gold Unit = US\$0.40.

IMPORTS OF TOBACCO
INTO SHANGHAI
Oct. and Nov. 1932

<u>Leaf Tobacco</u>	<u>October</u>		<u>November</u>	
	<u>Lbs.</u>	<u>G. Unit</u>	<u>Lbs.</u>	<u>G. Unit</u>
Great Britain	--	--	--	--
Hong Kong	7,067	1,493	--	--
Japan	--	--	--	--
U. S. A.	4,540,933	1,087,388	15,924,667	4,222,278
Other Countries	<u>23,867</u>	<u>5,087</u>	<u>17,467</u>	<u>2,917</u>
Gross Import	4,571,867	1,093,968	15,942,134	4,225,195
Re-exported Abroad	<u>77,800</u>	<u>18,575</u>	<u>48,800</u>	<u>11,360</u>
Net Imports	<u>4,494,067</u>	<u>1,075,293</u>	<u>15,893,334</u>	<u>4,213,835</u>

<u>Cigarettes</u>	<u>1000's</u>		<u>G. Unit</u>	
	<u>1000's</u>	<u>G. Unit</u>	<u>1000's</u>	<u>G. Unit</u>
Canada	--	--	--	--
Egypt	11	268	65	1,251
Great Britain	12,820	66,443	8,737	50,611
Hong Kong	--	--	--	--
Japan	--	--	--	--
Russia and Siberia	6,970	47,862	3,608	24,619
U. S. A.,	<u>822</u>	<u>2,387</u>	<u>360</u>	<u>795</u>
Other Countries	20,623	117,060	12,770	77,276
Gross Import	--	--	--	--
Re-exported Abroad	<u>20,623</u>	<u>117,060</u>	<u>12,770</u>	<u>77,276</u>
Net Imports	<u>20,623</u>	<u>117,060</u>	<u>12,770</u>	<u>77,276</u>

One Gold Unit = US\$0.40