

5 Mind-Blowing Facts About Cigarettes

Altria and Philip Morris would rather these harsh facts about cigarettes not be true.



Ted Cooper ([twcooper](#))
Feb 1, 2014 at 10:30AM

Altria Group ([NYSE:MO](#)), **Philip Morris International** ([NYSE:PM](#)), and other tobacco companies sell products known to be hazardous to consumers' health. Governments around the world have stepped up efforts to curb cigarette smoking, leading to an overall decline in the rate of smoking over the last three decades. However, some of the facts stated below show that demand for Altria and Philip Morris' products will subsist for many years.

Fact 1: 198,000 cigarettes are consumed every second

The percentage of the global population that smokes cigarettes has declined since 1980, but, due to population growth, the total number of smokers has increased. Worldwide, people smoked 1.2 trillion more cigarettes in 2012 than in 1980. The 6.2 trillion cigarettes consumed in 2012 works out to 198,186 cigarettes smoked *per second*.

The growth in the smoking population is not proportional around the world, however. In Altria's home market -- the United States -- the number of smokers declined by 27% from 1980 to 2012. Similar declines have taken hold in other developed nations, where cigarette taxes tend to be higher and restrictions on advertising more severe.

Developing nations, on the other hand, have buoyed Philip Morris' profits by combining booming populations with low advertising restrictions. To combat rising smoking rates, Uruguay raised cigarette taxes and imposed advertising restrictions; its smoking rate plummeted by 25% in three years. If other developing nations follow suit, Philip Morris' user base could start to shrink.

Fact 2: The vast majority of smokers are poor

Given that developing nations are responsible for the increase in global cigarette smokers, it should be no surprise that close to 80% of smokers live in low- and middle-income countries. Even in developed countries such as the U.S., smokers tend to be poor and uneducated. The impoverishment of the smoking population may contribute to the success of higher tobacco taxes in lowering the rate of cigarette consumption.



smoking. One would think that regulators would enforce lower nicotine standards in an attempt to ween the public off the ingredient. However, researchers discovered that 11% *more* nicotine was delivered by the average cigarette in 2005 than in 1997. This may help explain why the smoking rate is starting to level off in the United States after years of declines.

Fact 4: Cigarettes contain arsenic, formaldehyde, and hydrogen cyanide

Cigarettes contain about 70 cancer-causing chemicals, including doozies such as arsenic, formaldehyde, and hydrogen cyanide. The chemicals found in cigarettes are responsible for the deaths of millions of people each year. This is why warning labels are now taking over cigarette cartons; many of Philip Morris' warning labels take up half of the carton. Australia is the least-hospitable place for Philip Morris. Its laws require health labels to cover 75% of the front of cartons and 90% of the back, and ban the use of brand logos. This makes it difficult for well-known brands like Marlboro to maintain a dominant market share.

Fact 5: Tobacco killed 100 million people in the 20th century

Nearly twice as many people have died from tobacco-related illness than died in World War II. Tobacco kills 6 million people each year. World Health Organization estimates that, left unchecked, that number could rise to 8 million per year by 2030, which would put tobacco on pace to kill 800 million people in a century.

Of course, tobacco regulations will continue to grow more stringent as the years go by. **Citigroup** believes cigarette smoking rates could approximate 0% in developed countries by 2050. As the deaths pile up, so too will the regulations that make it difficult to add new demand to the market.

Bottom line

Altria and Philip Morris may not be selling cigarettes in 2050, but there is still ample demand and pricing power to tide them over for a few more decades. If nothing else, the 6.2 trillion cigarettes consumed each year -- more than a half-century after the dangers of smoking were revealed on a large scale -- serve as evidence that Altria and Philip Morris are not going out of business anytime soon.

Ted Cooper has no position in any stocks mentioned. The Motley Fool owns shares of Philip Morris International. Try any of our Foolish newsletter services free for 30 days. We Fools may not all hold the same opinions, but we all believe that considering a diverse range of insights makes us better investors. The Motley Fool has a disclosure policy.

AUTHOR

