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Eric Piras The Future of Premium Cigars in Asia

Hong Kong resident and cigar expert Eric Piras fills in *Tobacco Asia* about what's in store for the premium cigar business in China and the rest of Asia.

By Thomas Schmid

His almost 25 years of experience in the tobacco industry helped Frenchman Eric Piras hone his great love for premium cigars, and he is today regarded as one of the leading experts in his field.

The long-term Hong Kong resident started his cigar career as regional director for The Pacific Cigar Company, an assignment which included developing the Casa del Habanos franchise.

In 1999, Piras joined Altadis as vice president for international sales development, traveling the globe to explore new markets and set up and strengthen distribution channels for the world's number one cigar maker.

Piras is the founder of Cigraal Ltd, a company specializing in the distribution, marketing, and promotion of promising cigar brands. As part of his vision, Piras also has created the Cigraal Academy, which provides training courses and cigar discovery sessions to professionals and private individuals alike.

The cosmopolitan Frenchman's incredibly broad knowledge extending from tobacco

growing all the way through to curing, manufacturing, marketing, and distributing comes in very handy when familiarizing his students with the pleasures of cigar smoking in all its aspects.

Capitalizing on a distant past as a restaurant owner and drawing on his wide cigar industry connections, Piras also manages Bertie Cigar Lounge in the heart of Hong Kong. Besides Habanos, Bertie Cigar Lounge offers a variety of premium cigar brands from the Dominican Republic, Honduras, Nicaragua, and several other producer countries.

In recognition of his tremendous expertise, Piras also has been accepted as a cigar expert to the tasting panel of Cigar Sense (www.cigarsense.com).

Tobacco Asia (TA): *How does one earn the distinction of being an expert for premium cigars?*

Eric Piras (EP): I am glad you asked. I believe it's mainly due to my previous involvement with Altadis, which took me around the world and gave me the opportunity to visit the majority of cigar makers, their fincas and factories. I was being invited to their tasting committees and all the cigar festivals, becoming some sort of a fixture at events and on panels [laughs].

TA: *Which is your favorite premium cigar brand and why? Or do you perhaps have several favorites?*

EP: That is a difficult question. I have enjoyed plenty of cigars over the years and tasted hundreds, if not thousands. That almost naturally gives you an idea of what a good cigar versus an average one should be like. But enjoying a cigar goes beyond the mere smoking aspect. It always also is a matter of time of the day, the surrounding ambience, the mood you're in, and with whom you share this moment. I recently acquired the distribution rights of *Arturo Fuente* in Hong Kong and Macau. I think it's a fantastic brand. But I also like the cigars from Ashton, the *Decadas*, as well as *Cuatro Cinco* from Joya de Nicaragua, in particular the latter's Asian limited edition, which Cigraal globally released in April 2020. Further examples that I greatly enjoy are the *Villa Zamorano*, and the *Flor de Selva Collections* range. And of course Habanos, in particular the *Partagas*, *Trinidad*, and *Ramon Allones*.

TA: *What attributes are important for you when choosing a cigar? And where do you prefer to enjoy it, in what environment?*

EP: I select cigars by their vitola [ed.: *vitola* is the connoisseurs word for cigar shape or size]. Time permitting, I enjoy a double corona or churchill, though most of the time I have to settle for a

robusto, corona gorda, or a short. I preferably enjoy them in my Bertie Lounge, where I attend every day anyway; and even more so since we currently cannot travel [due to Covid-19 restrictions]. But the very same cigar can indeed taste different depending on where you enjoy it, whether that may be in Hong Kong, Danlí, Estelí, Santiago [Dominican Republic], or Havana.

TA: *Which Asian markets have traditionally driven sales of premium cigars, and why?*

EP: From my experience, it's greater China, including Hong Kong, Macau, and Taiwan. But also Malaysia, Singapore, Thailand, and in recent years, Vietnam. Historically, it's foremost the ethnic Chinese populations [in Asian countries] that have traditionally enjoyed cigars. While initially a domain of the wealthy, a growing middle class has since also come to embrace luxury products [such as cigars]. There actually exists a clearly discernible synergy between the increasing consumption of wines and whiskies and the popularity increase of premium cigars [in these regions].

TA: *In April 2020, Imperial Brands sold its 50% stake in Habanos to a private investor consortium. May that have had something to do with rumored sales declines of Habanos and other premium cigars in the Asian markets? What's your take?*

EP: I cannot comment on Imperial Brands' decision. What I can say is that there has indeed occurred a sales slump of premium cigars in the [region's] travel retail sector, probably as a consequence of travel restrictions forced by the Covid-19 pandemic. However, I haven't noticed such declines in the domestic markets. On the contrary, since consumers cannot travel at the moment, they now purchase their cigars locally [instead of in travel retail outlets].

TA: *So you are saying that it's all just a rumor and that cigar sales in Asia are *not* generally declining across distribution channels?*

EP: Yes. Obviously, travel retail sales have declined drastically for the reason mentioned, around 90% at certain airports. But on the other hand, online sales have in fact increased.

TA: *Asia is known to be a rather fickle market when it comes to "fashionable products". Are premium cigars perhaps nothing more than a "fashion fad" for wealthy Asians... but one that will eventually have run its course and flicker out?*

EP: Premium cigars might have constituted a fashion fad in the early days. But we now see growing numbers of younger aficionados of both genders in Asia who purchase cigars instead of cigarettes which are perceived as unsophisticated. Cigarette sales are actually declining worldwide, including in China [and other Asian countries]. And that can only be a good thing for the cigar industry.

TA: *Has China's tobacco monopoly jumped on the bandwagon by manufacturing cigars also? What is happening?*

EP: China Tobacco is manufacturing both machine-made and premium cigars in four factories across the country, each of them being dedicated to one main brand, namely *The Great Wall*, *Wang Guan*, *TaiShan*, and *Huanghelou*. I witnessed The Great Wall's expansion, which started in 2008, and it seems that overall global sales of China-made cigars have substantially increased over the years. But for imported cigars, both premium and machine-made, China Tobacco enforces a quota system, which puts a cap on import volumes.

TA: *Have premium cigar manufacturers and distributors possibly focused too much on China, therefore neglecting other potential markets in Asia?*

EP: I don't think so. They have been targeting China foremost because of the country's rapid economic development. Just like other luxury product manufacturers, really. Other Asian markets were not neglected, as demonstrated by the considerable expansion of PCC and Davidoff, which, respectively, are the exclusive distributors of Habanos and Davidoff cigars in the region. Cigraal likewise is part of this regional development, as in the past five years we have become recognized by leading brands such as Arturo Fuente, Ashton, Joya de Nicaragua, and Flor de Selva and VZ from Maya Selva Cigars. However, building a brand presence in Asia greatly depends on brand owners' readiness for investment, as well as devising a sensible [marketing] strategy.

TA: *On the background of economic uncertainties in the light of a dawning global recession, have Asian consumers diverted their attention to cheaper machine-rolled cigars?*

EP: Asia's rich are still rich. Younger consumers among them -- those in the age bracket of 23-30 -- are guided by affordable price but also brand recognition through magazine ratings and serious retailers when they are searching for good cigars. Though we still have to do a lot of education, from cigar manufacturing to tasting, sampling, and smoking etiquette. My Cigraal Academy conducts plenty of trainings and events to improve [local consumers'] knowledge of New World cigars. And when it comes to Hong Kong, where we are based, the territory always has acted as some sort of marketing window for Mainland China and the rest of the region.

TA: *What's the future for premium cigars in Asia?*

EP: Asia, in broad economic terms, *is* the future, and China still has huge market potential -- and not only for premium cigars.

TA: *Leaving Asia and China aside, what are other "up and coming" markets to which cigar manufacturers, marketers, and distributors should pay more attention?*

EP: It seems that Africa is moving into the cigar industry, as one or two local companies only recently have begun manufacturing premium cigars. [Note: Read our related feature on premium African cigar producers on page 30]. And Cameroon has been making headlines lately for producing one of the best wrappers that has emerged in decades. Meerapfel, a partner of Arturo Fuente, was one of the first family-owned businesses to start a wrapper leaf plantation there. ➡