

Transforming tobacco: The rise of NGPs and regulatory challenges

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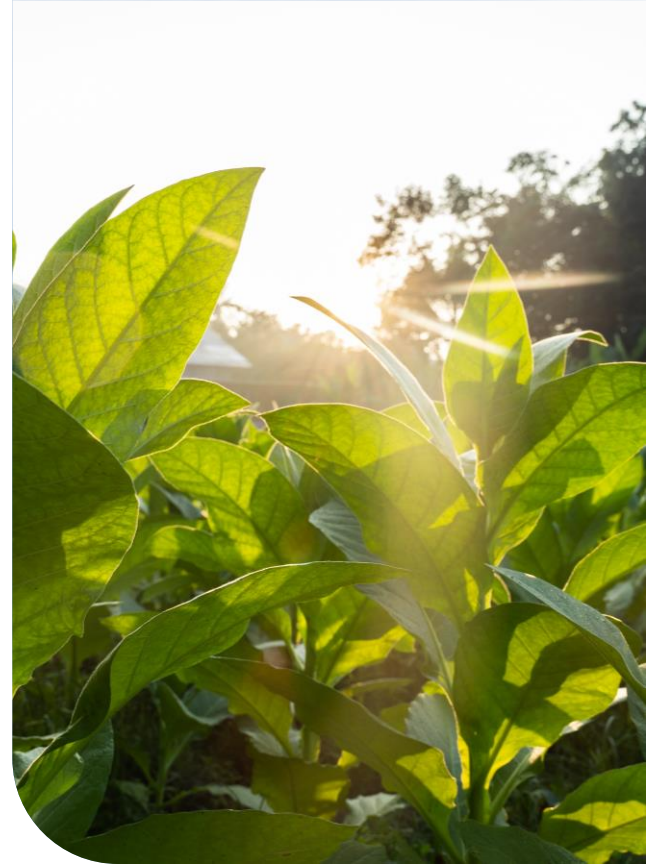
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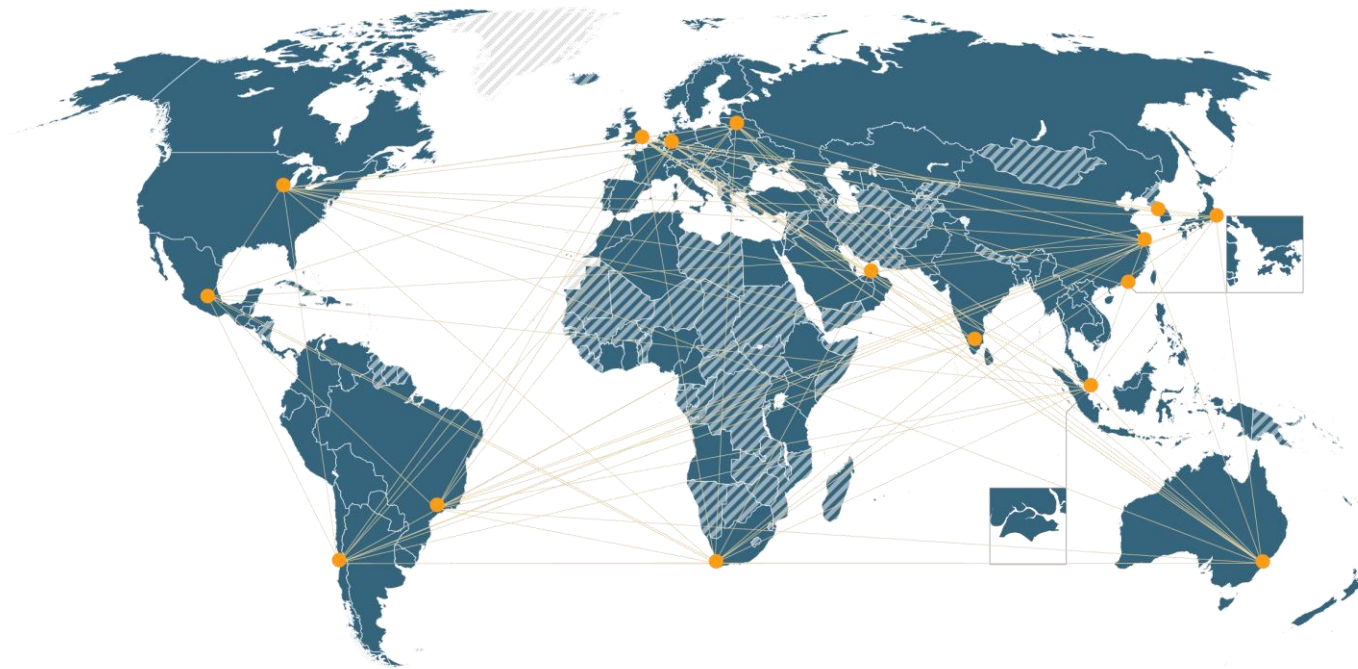


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Tobacco data contain total nicotine volumes including e-vapour

Conversions facilitate an overall assessment of total nicotine volume. This approach ensures that all relevant data points are integrated, providing a clear picture of nicotine consumption trends across the industry.

With this new topline figure, we can derive meaningful conclusions about the evolving landscape of e-vapour use and its implications for the industry, as well as a total industry view and increased comparability across categories and datasets.

Category	Retail Volume	Cigarette Stick Nicotine Equivalent (unit)
Cigarettes	1 unit	1
Cigars	1 unit	4
Cigarillos	1 unit	1
Pipe Tobacco	1g	0.3
Fine Cut Tobacco	1g	1.54
Chewing Tobacco	1g	0.7
US-Style Loose	1g	1.4
US-Style Portion	1 unit	1
Snus Loose	1g	1.4
Snus Portion	1 unit	1
Closed System Single Use	1ml	13
Closed System Cartridge	1ml	13
E-Liquid	1ml	13
Heated Tobacco	1 unit	1
Nicotine Pouches	1 unit	1

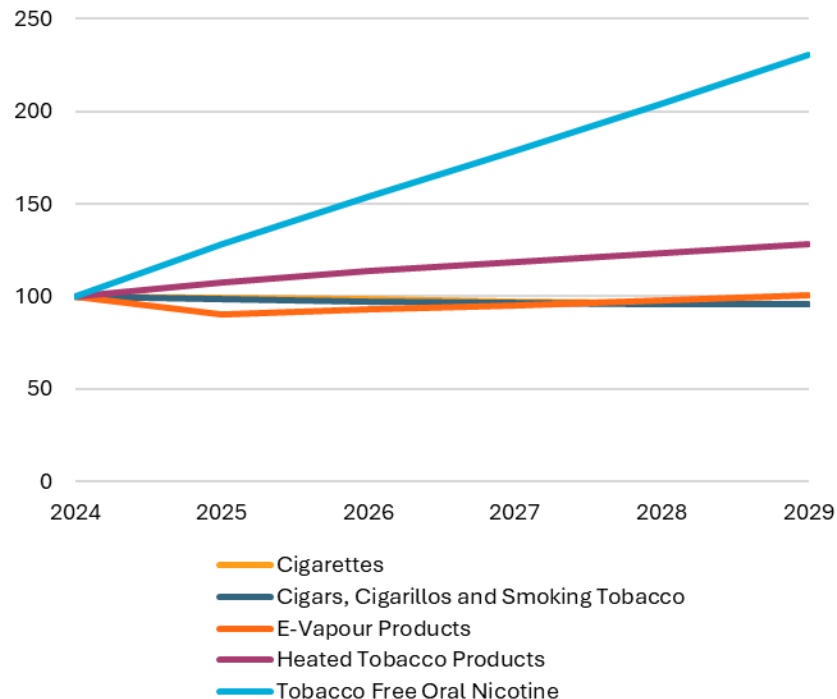
Global industry overview

Structural decline on combustible tobacco sales

Combustible tobacco volumes are declining globally, highlighting a shifting consumer preference towards newer nicotine alternatives.

Index Growth by Category (excl China) 2024-2029

Category volume index size (2024=100)

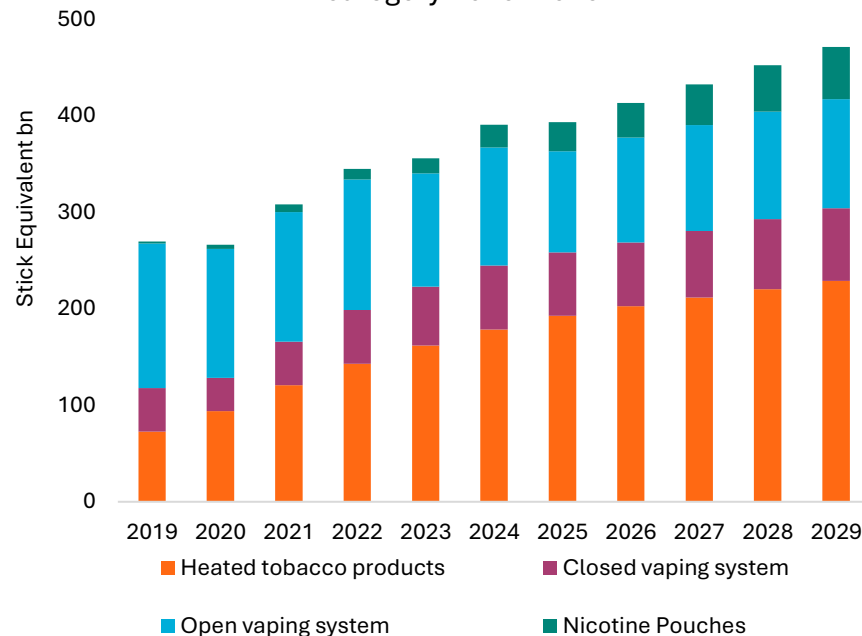


Source: Euromonitor International: Passport Tobacco

Reduced risk alternatives on the rise across markets

Over the past 10 years, the range of alternative, lower-risk nicotine delivery methods has expanded and become more diverse, frequently replacing traditional cigarettes.

Global legal RRP volume sales by category 2019–2029

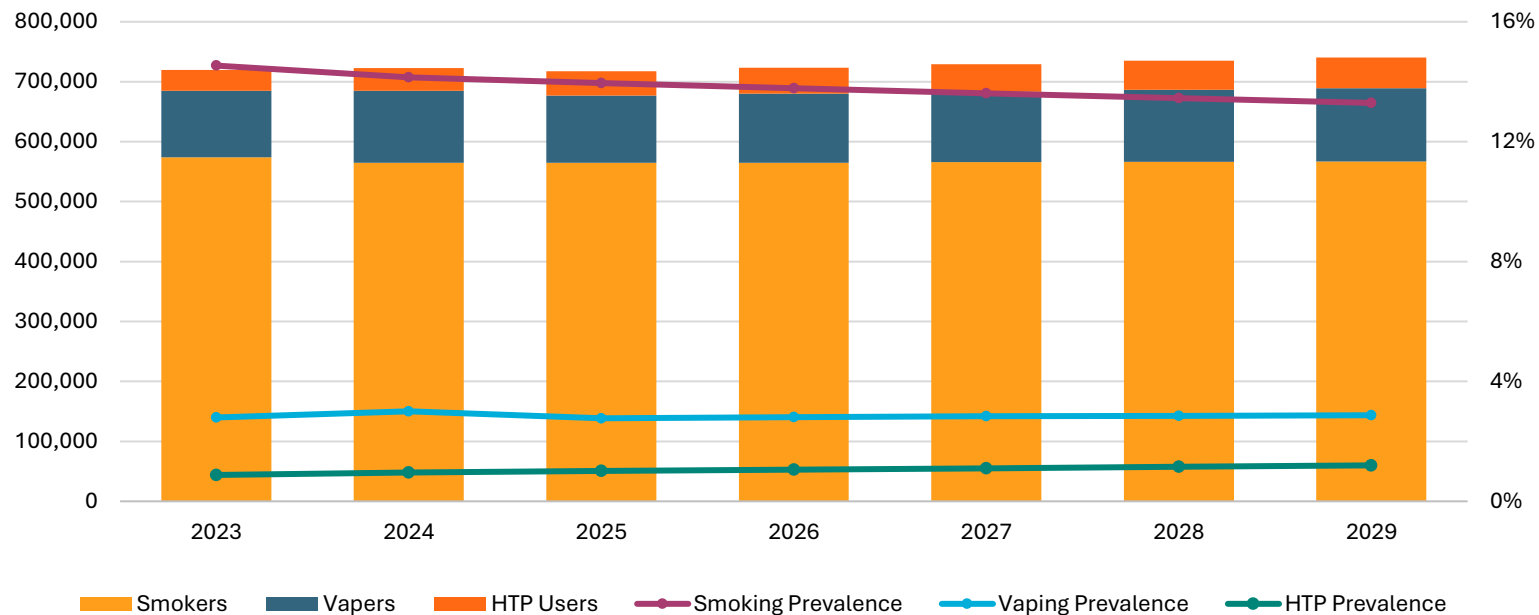


Source: Euromonitor International: Passport Tobacco

RRP prevalence continues to drive total number global users

Prevalence and Total Users by Category Excl China 2023-2029

'000 people and % of smoking-age population

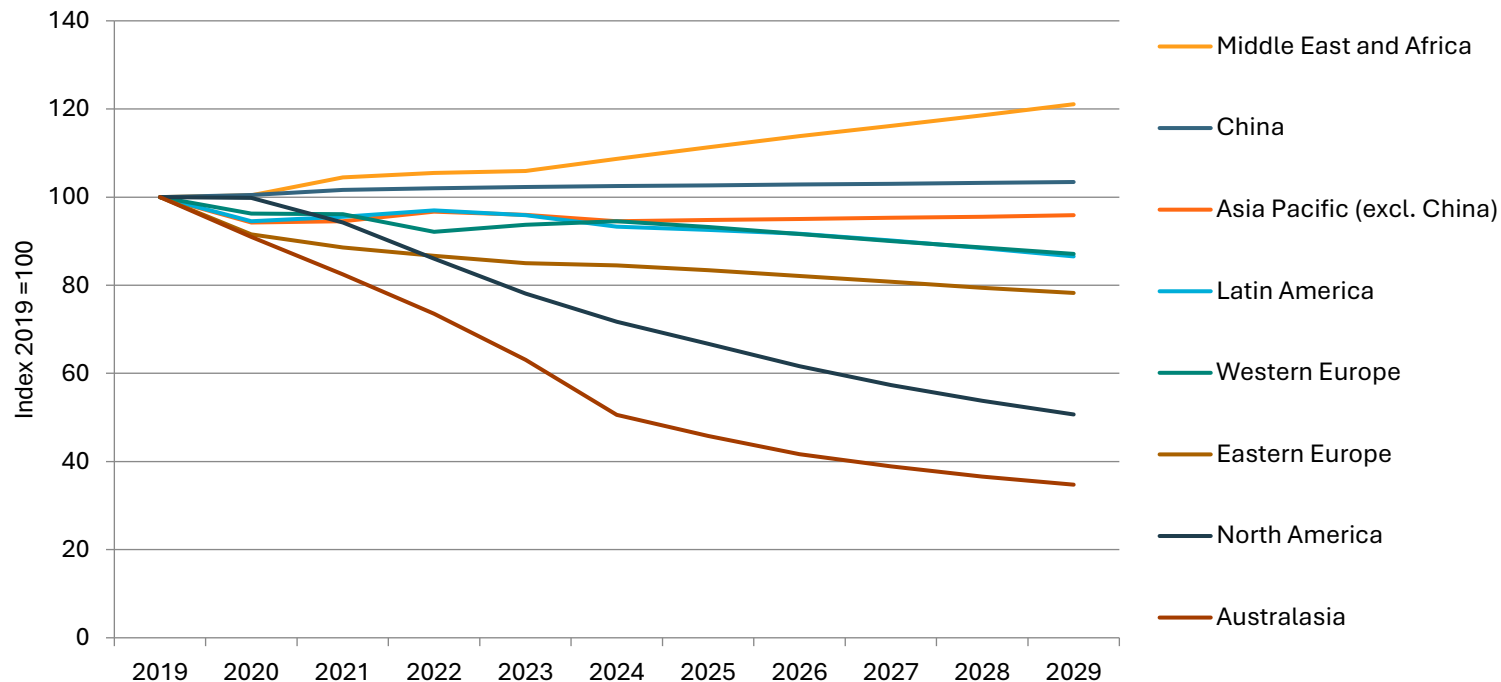


Source: Euromonitor International: Passport Tobacco

Regional overview

Prolonged decline forecast despite resilience in key markets

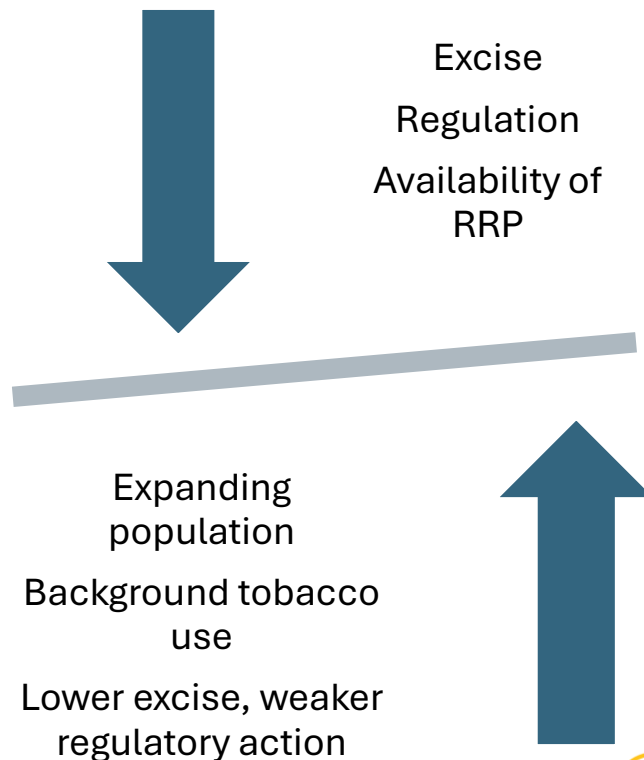
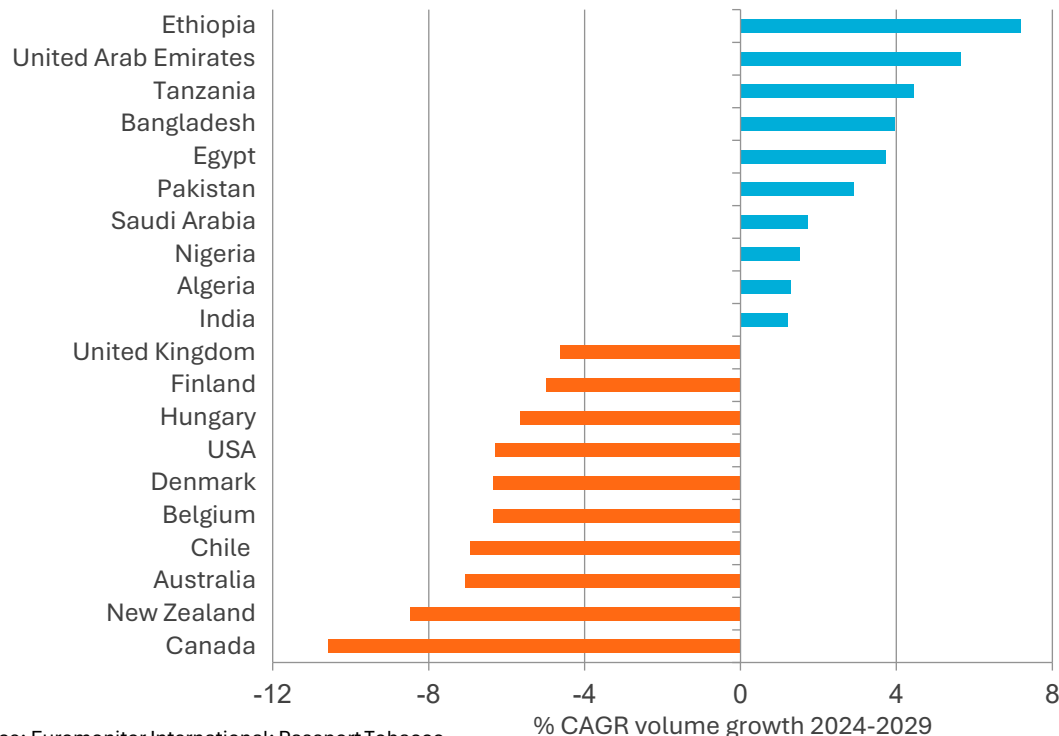
World – Cigarette volume (Retail + Illicit) 2019–2029



Source: Euromonitor International: Passport Tobacco

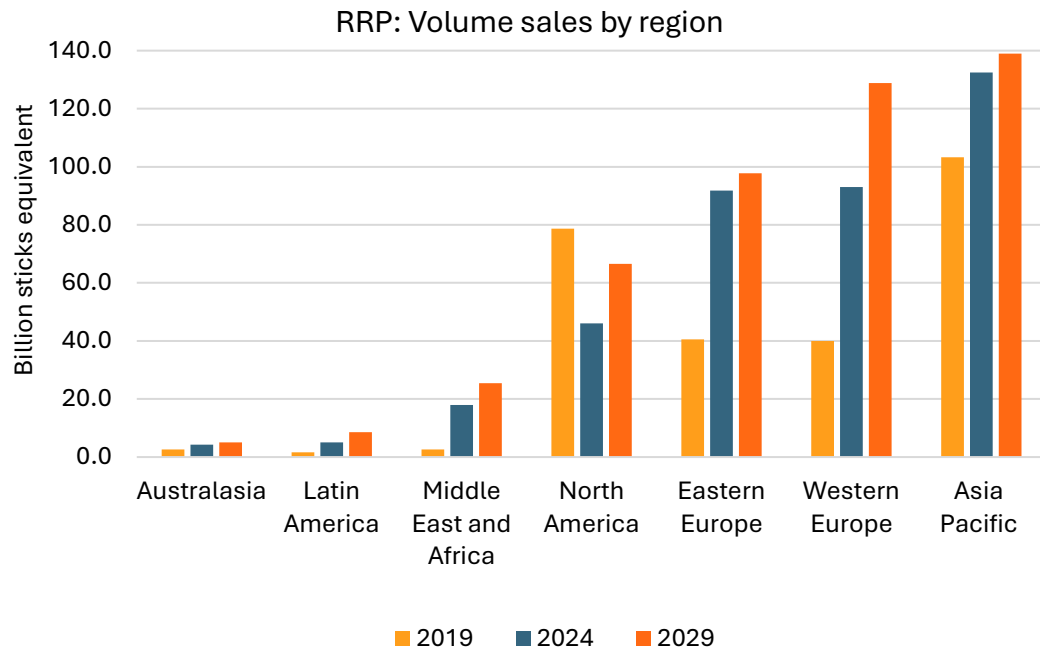
Global cigarettes sales sustained by emerging markets

Cigarettes: Top ten growth and decline by CAGR volume
(Total: Illicit + Legal) 2024–2029



Source: Euromonitor International: Passport Tobacco

Increased polarisation in the nicotine industry



Expect increased polarisation in the nicotine industry in coming years as some markets, consumers and companies remain primarily orientated towards cigarettes, while others hurry into a smoke-, and in many cases, tobacco-free universe of new frontiers and multiple category interactions.

- Shane MacGuill, Global Lead for Nicotine and Cannabis



Source: Euromonitor International: Passport Tobacco

Challenges towards RRP transition

2025: Global overview of combustible tobacco regulation

Canada requires health warnings on individual cigarettes from 2024



The UK aims to enforce a generational smoking ban over the next five years



Ukraine banned sales of flavoured tobacco in 2024



Ban on smoking in most outdoor public spaces in France



Tobacco products can no longer be displayed at points of sale in Belgium



Spanish legislation makes tobacco companies pay for cleaning up cigarettes



Grocery stores banned from selling tobacco products in Saudi Arabia



Brazil increased taxation and minimum price for cigarette packs in 2025



Thailand established Tar and nicotine caps on cigarettes in 2024



Proposal for a smoking ban in all indoor public places as well as 'certain outdoor areas'



Turbo taxation implemented in Australia over the last decade

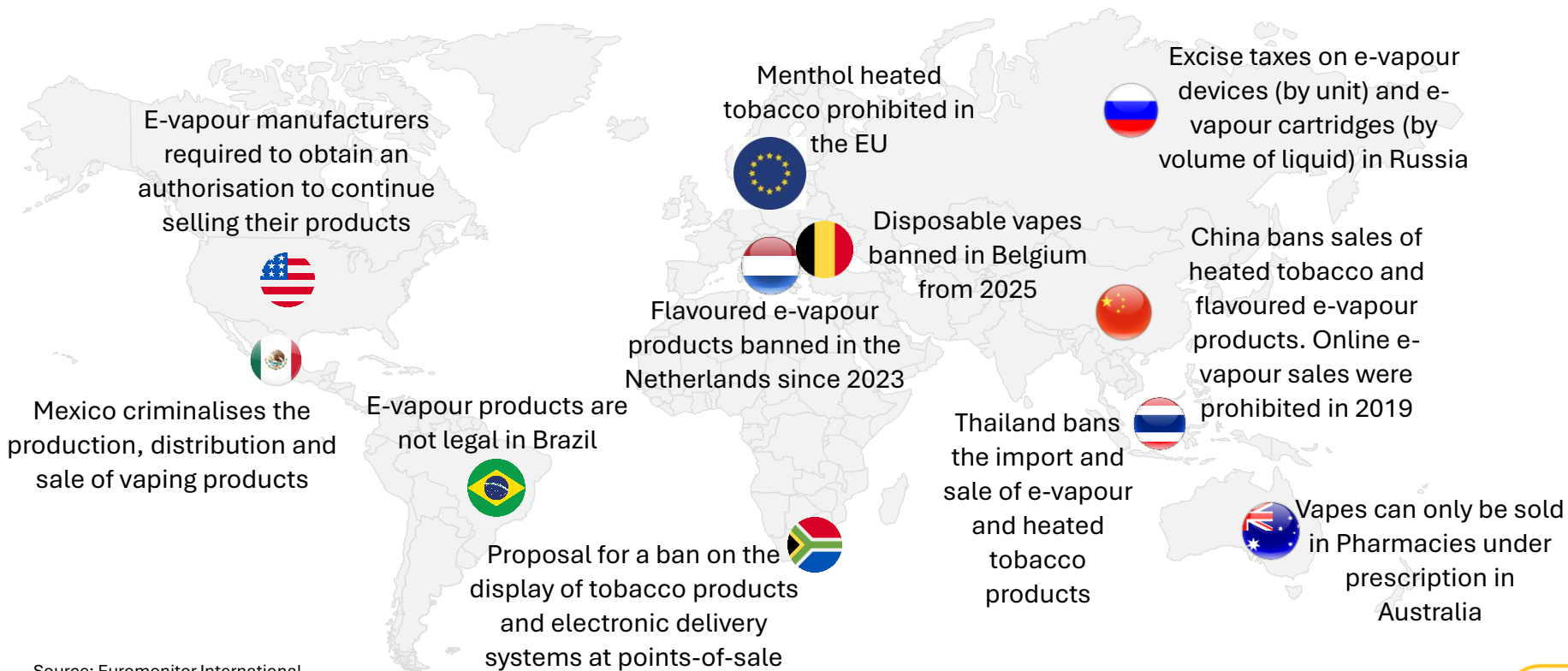


New Zealand approved a generational ban in 2022



Source: Euromonitor International

2025: Global overview of RRP regulation



Source: Euromonitor International

NGP vulnerable to further anti-smoking provisions

“big bets [from major tobacco players] that they’re placing in [reduced-risk] categories are at the mercy of regulators”

- Shane MacGuill, Global Lead for Nicotine and Cannabis, Euromonitor International

Source: [Financial Times](#) (September 2024)

Commission Delegated Directive (EU) 2022/2100 on the withdrawal of certain exemptions in respect of heated tobacco products

PMI said it expected annual heated tobacco in-market sales volume growth to be lower than previously forecast, flagging a greater-than-anticipated impact from a ban on flavoured heated tobacco in the European Union.

Source: [Reuters](#) (July 2024)

Reduced risk credentials to achieve regulatory support



**IQOS as
modified risk
tobacco product**

According to the FDA, marketing IQOS products as an MRTP could help addicted adult smokers move away from combustible cigarettes and ultimately reduce exposure to harmful chemicals.



**E-vapour
products**

The EU Parliament recently adopted a report on Cancer prevention and Treatment that acknowledges the potential contribution of e-vapour products in cutting down smoking.



**Snus marketed
as modified risk
tobacco product**

Swedish Match allowed to sell eight varieties using the claim, “Using General Snus instead of cigarettes puts you at a lower risk of mouth cancer, heart disease, lung cancer, stroke, emphysema, and chronic bronchitis.

Image source: [FDA](#), [European Union](#) and [Swedish Match](#)

Hybrid products



Sustainability priorities



Focus on expanding flavours



Beyond tobacco, herbal and infused products



Key takeaways

End of cigarettes?



Polarisation



Reduced risk
credentials



Sustainability
engagement



Innovation to
succeed



Beyond tobacco



Thank you

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