



# World Market for Tobacco

October 2023

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Category growth comparisons 2022-2027

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Unwinding of pandemic pressures will return illicit volumes to growth

## CATEGORY AND GEOGRAPHIC FOCUS

Excise increases in Australia to increasingly decouple it from other global markets

China: Positioning and restrictions on alternatives support cigarette volumes

US: Only certainty is return to cigarette declines

Russia : Increased isolation likely to support cigarettes and curb RRP

Indonesia: Potential for resilience in cigarettes volumes

Philippines: Consumers solidify shift away from cigarettes

Italy: Cigarettes continue to trend downwards

E-vapour forecast growth heavily concentrated in closed systems

E-vapour prevalence stalls or declines in mature markets

Disposable vaping could influence significant triggers in evolution of the RRP landscape

HTP growth becoming increasingly broad-based

Heated tobacco prevalence trends up as frequencies approach cigarettes

Non tobacco heated products signal opportunity for manufacturers

Nicotine pouch category expands but vast bulk of value remains in the US

Rapid US expansion to fuel nicotine pouch growth but regulatory outlook unclear

Pouches and oral nicotine at the forefront of nicotine's potential reimagining

All OTP categories except cigarillos predicted to grow over the forecast period

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Trends in tobacco use by region: cigarette prevalence's inevitable decline

Only 4% of markets forecast to see any growth in smoking prevalence

Global company shares display significant consolidation

Stick equivalent company share by region

Top 15 brand ranking shows benefits of wider exposure

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Sustainability in tobacco involves not just consumers but investors and legislators

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Key drivers

Ongoing inflation and cost-of-living crisis set to challenge tobacco operators

Diminishing resonance of tobacco use is self-reinforcing

Nicotine universe expands but format fragmentation happening in slow motion

Additional regulation in both character and degree facing the industry

Substitutes for tobacco in the spotlight

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