

Tobacco in India

August 2023

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EXECUTIVE SUMMARY

Tobacco in 2022: The big picture Tax stability aids the growth of tobacco, but illicit trade remains a big challenge for the industry Foreign direct investment remains banned and domestic manufacturers continue to dominate Retailing developments What next for tobacco?

OPERATING ENVIRONMENT

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Cigarettes in India

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2022 DEVELOPMENTS

Pent-up demand and tax stability aid growth of cigarettes

ITC Ltd maintains the lion's share of sales, with Godfrey Philips and VST Industries completing the oligopoly VST Industries Ltd has carved a niche for itself on the back of affordability and localisation of flavours

PROSPECTS AND OPPORTUNITIES

Cigarettes is expected to decline on the back of taxation, regulation, and inflation India's consumer expenditure dictates consumption pattern

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Brand extension and an unorganised market drive the growth of smokeless tobacco in India In 2019, the Indian government implemented a ban on e-vapour products to prevent the category from becoming mainstream The ban on Electronic Nicotine Delivery Systems (ENDS) spells the end for heated tobacco products in India

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