Euromonitor International

# What's Happening in Nicotine and Cannabis . H2 2025

January 2026

EXECUTIVE SUMMARY

Why read this report?
Key stories

INTRODUCTION

Nicotine industry performance resilient despite gradual volume decline in cigarettes
NEW in Passport: Illicit/non-compliant e-vapour added for total e-vapour sizing
Adult-use category is the driving force behind the global legal cannabis market

NICOTINE – REGULATORY UPDATES

FDA to launch pilot to streamline PMTA process for nicotine pouches
Regulatory shifts: New bans and visibility restrictions in tobacco and vaping
More aggressive product bans continue to emerge
Global regulatory pressure increasing
Modernising tobacco taxation in the EU: Key 2025 reforms
Sharp taxation increases continue to drive the price of combustion products
Illicit market continues to thrive despite strict regulatory environment

NICOTINE – INDUSTRY UPDATES

Global industry continues to undergo transformation.
Ongoing product innovation is steadily transforming the RRP landscape.
Manufacturers and retailers focus on technology, convenience and availability

NICOTINE – CORPORATE UPDATES

PMI enjoys positive performance from RRP portfolio
BAT doubles down on investments and innovation
JTI expands RRP efforts in its priority markets
Other company developments
Other company developments (cont.)

CANNABIS – REGULATORY UPDATES

The US reschedules cannabis in a major industry change
Whiplash from too much legalisation?
Europe continues a mixed approach to cannabis regulation

CANNABIS – INDUSTRY UPDATES

Positive momentum in the cannabis market

CANNABIS – CORPORATE UPDATES

Modest growth for core industry players with US tailwinds
Portfolio and geographic expansion continues

MACROECONOMIC UPDATES

Global growth shows resilience, with fragile outlook due to market volatility
Key country insights
Real GDP annual growth forecasts and revisions from last quarter: AE
Real GDP annual growth forecasts and revisions from last quarter: EMDE
Inflation forecasts
Global scenario map: Trade-related uncertainty dominates the risk landscape

CONCLUSION

Key stories
Our experts' views of key developments so far in 2025

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For more information on this report, further enquiries can be directed via this link www.euromonitor.com/whats-happening-in-nicotine-and-cannabis-h2-2025/report.