Euromonitor International

Global Illicit Nicotine Landscape: The True Size of Nicotine Demand

November 2026

EXECUTIVE SUMMARY

Why read this report?
Understanding the global nicotine illicit market landscape

INTRODUCTION

Illicit nicotine is a 1 trillion stick equivalent blind spot in the nicotine industry
A brief framework to understand the illicit landscape
Illicit definitions

THE TRUE SIZE OF NICOTINE DEMAND

Stable nicotine demand masks a growing shift from legal to illicit consumption
Illicit exposure varies sharply by category, making a uniform response insufficient
Moderate illicit penetration masks Asia Pacific's outsized exposure to illicit trade
Containing illicit e-vapour depends on legal access beyond regulatory intensity
Not a local problem but a global one

REGULATORY FRAGMENTATION DRIVES ILLICIT MARKETS

Illicit markets thrive in the blind spots of nicotine regulation
Affordability pressures make the legal-illicit price gap critical to assessing market risk
Taxation continues to expand, and RRPs become the next logical target
From regulation to prohibition
The fiscal paradox: As legal nicotine shrinks the incentive to police illicit trade may shift
Same drivers everywhere: Regulatory design directly impact the illicit outcome

ILLICIT SUPPLY CHAIN EVOLVES WITH THE INDUSTRY

Legal at origin, illicit at destination: Destination-market compliance defines illicit supply
Transition points are critical to understanding illicit supply challenges
Not all non-compliance is equal; the enforcement gap draws retailers in
The last mile has moved from the counter to online spaces
Fragmented chains broaden participation; high margins attract organised crime
Nicotine pouches risk following e-vapour's illicit trajectory

THE ILLICIT PRODUCT AND BRAND LANDSCAPE

Familiar by design: Illicit packs borrow the look of legal products
Illicit competition expands beyond price as product choice drives demand
When the illicit product becomes the benchmark
Regulation reshapes products faster than it reshapes demand
Nicotine pouches: The whole illicit playbook in a single category.

FUTURE OUTLOOK/COUNTERMEASURES

Enforcement alone cannot reverse illicit growth while incentives remain misaligned
Partial migration back to legal channels could restore significant value and oversight
Countermeasures must expand beyond cigarette-era controls to cover total nicotine
Nicotine pouches offer a chance to act before illicit supply sets the category rules

CONCLUSION

Priorities for addressing the illicit nicotine market
Our experts' opinions
Evolution of global illicit nicotine landscape
Questions you should be asking
Acting starts with measuring what legal sales miss and going beyond the surface

About Euromonitor International

Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- Strategy Briefings: Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.
- Company Profiles: Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- Country Reports: For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/global-illicit-nicotine-landscape-the-true-size-of-nicotine-demand/report.