

# Counterfeit Cigarette Manufacturing and Consumption in Europe

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## 1. Context and chronology of counterfeit manufacturing and consumption

Since the 2010s, the EU has transitioned from being primarily a destination market for smuggled cigarettes to becoming a hub for both the manufacturing and consumption of counterfeit cigarettes, driven by structural shocks, regulatory and fiscal pressures, as well as adaptive criminal supply chains.

Regional comparisons based on countries for which counterfeit data is available<sup>1</sup> indicate that in all regions, with the exception of Asia Pacific, counterfeit

cigarette volumes consumed are growing at rates that exceed those of the broader illicit cigarette category. This points to counterfeit cigarette penetration increasing, most significantly in the EU, which saw consistent, aggressive volume growth since 2015 to reach 13.4 bn sticks in 2024. Other publicly available sources, such as KPMG, place the figure even higher, at over 15 bn sticks in 2024. Counterfeit volumes in all regions outside of Europe, however,

### Regional Counterfeit Consumption, 2015-2024

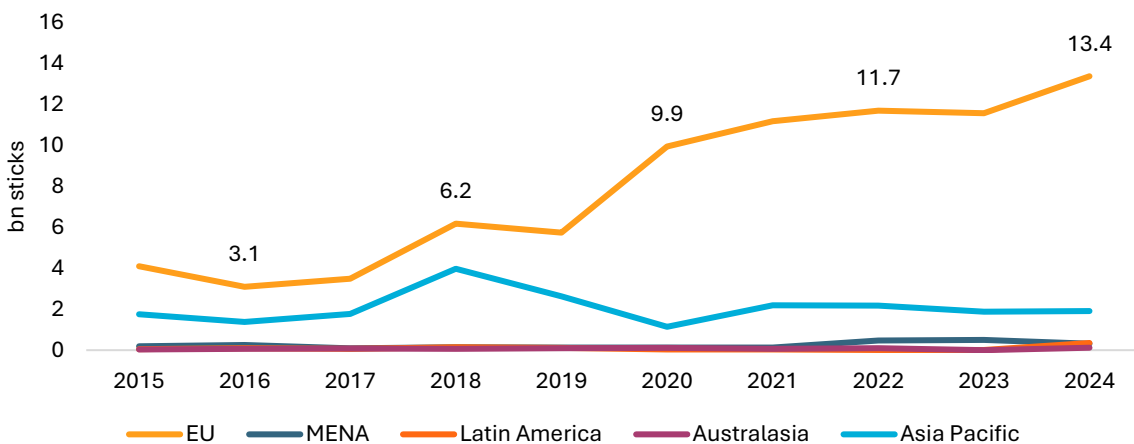


Chart source: Euromonitor International Tobacco, KPMG EPS counterfeit incidence rates for publicly available countries\*  
 \*Figures displayed in chart are the result of counterfeit incidence rate established by KPMG’s Empty Pack Study 2024 applied to Euromonitor’s total cigarette consumption (legal + illicit) per country. Note that KPMG estimates the EU’s total counterfeit consumption in 2024 at 15.3 bn sticks, higher than Euromonitor’s estimate of 13.4 bn. Countries included by region are available at the end of the document.

## EU Illicit & Counterfeit Trend, 2016-2024

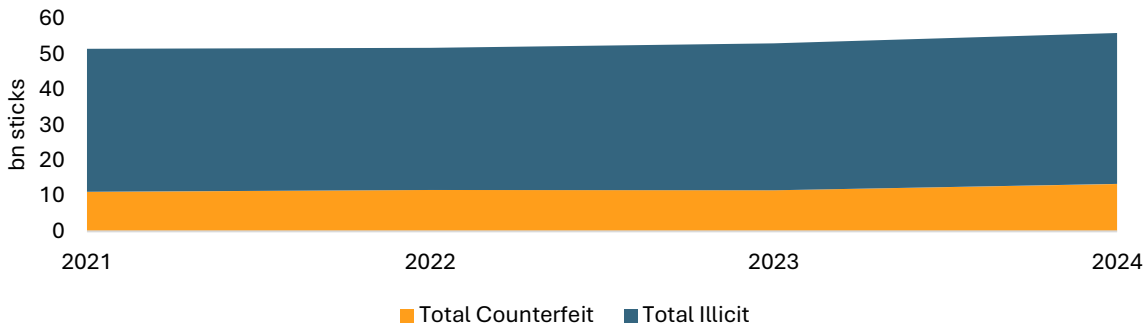


Chart source: Euromonitor International Tobacco, KPMG EPS counterfeit incidence rates for available countries\*. \*Total counterfeit volume reflects counterfeit incidence rate established by publicly available KPMG's Empty Pack Study 2024 and applied to Euromonitor's total cigarette consumption (legal + illicit) per country. Total Illicit volume reflects Euromonitor Illicit data.

represent small shares of total cigarette consumption.

Over the 2015-2024 period, total cigarette consumption declined by -2.1% CAGR across the EU, dropping from 508.19 to 418.09 bn sticks. Since 2022, illicit consumption has grown in the EU, at 1.9% CAGR between 2022-2024, with counterfeit commanding an increasingly large share. Publicly available sources, such as KPMG, report that illicit cigarette volumes have grown since 2020 in the EU.

Since 2015, as total cigarette consumption has consistently declined in the EU, counterfeit volumes grew at 14.0% CAGR, rising from 4.1 to 13.4 bn sticks in 2024. France, by far the highest counterfeit volume market, witnessed 55.4% CAGR growth over the 2015-2024 period. By 2024, counterfeit cigarettes accounted for 31.3% of illicit consumption in the EU.

Five countries, France, Hungary, the Czech Republic, Romania and the Netherlands, are responsible for 68.5% of the total counterfeit cigarette volume growth across the EU between 2015-2024. Remarkably,

France alone accounted for 57% of this increase, underscoring its pivotal role in shaping the regional demand for counterfeit products.

The EU's dramatic increase in counterfeit cigarette consumption was driven by a

## Counterfeit Consumption by EU Country



Chart source: Euromonitor International Tobacco, KPMG EPS counterfeit incidence rates for available countries\*. Note that KPMG reports France's 2024 counterfeit consumption as 7.8bn sticks

confluence of factors that drove demand as well as changes in the supply structure of illicit cigarettes. Key drivers included excise increases over the 2015-2024 period, general supply chain and economic impacts of COVID-19 and the subsequent inflationary period, Russia’s invasion of Ukraine, and various tobacco regulations and bans introduced over the period.

Outcomes across EU member states, however, also point to the role of enforcement measures, levels of corruption, and existing criminal networks. Geographic factors (e.g. proximity to countries with low-cost cigarettes or pre-existing smuggling hubs) can further amplify or dampen the effect of excise tax-driven changes in legal cigarette affordability.

**Year Chronology of key geopolitical and regulatory events impacting counterfeit manufacturing and consumption**

2015	<ul style="list-style-type: none"> <li>Counterfeit accounts for 0.8% of total consumption and 7.7% of illicit consumption</li> </ul>
2016	<ul style="list-style-type: none"> <li>EU – TPD2: e-cigarette regulations; oral tobacco/snus ban reaffirmed</li> </ul>
2018-2020	<ul style="list-style-type: none"> <li>France - multi-year excise increases</li> <li>COVID-19 lockdowns &amp; supply chain disruptions</li> <li>EU – Menthol/high-volume flavours ban</li> </ul>
2022	<ul style="list-style-type: none"> <li>Start of Russia-Ukraine war reshapes major pre-existing illicit supply chains</li> <li>Global inflation</li> </ul>
2023	<ul style="list-style-type: none"> <li>EU – Heated tobacco flavours ban</li> </ul>
2024	<ul style="list-style-type: none"> <li>Raids in Italy, Hungary and Poland highlight increased sophistication and scale of criminal operations</li> <li>Counterfeit consumption in the EU reaches 3.2% of total consumption and 31.3% of illicit consumption</li> </ul>
2025	<ul style="list-style-type: none"> <li>Revision of Tobacco Taxation Directive to directly target counterfeit supply chains</li> <li>Intensified enforcement efforts</li> </ul>

## 2. Key factors contributing to the EU’s role as a counterfeit hub

The EU’s emergence as a counterfeit cigarette hub is the result of interacting economic, regulatory, geopolitical, and criminal drivers, rather than excise taxation alone. This section outlines supply-side, demand side, and regulatory and enforcement drivers.

## Price change and tax growth, 2017-2025

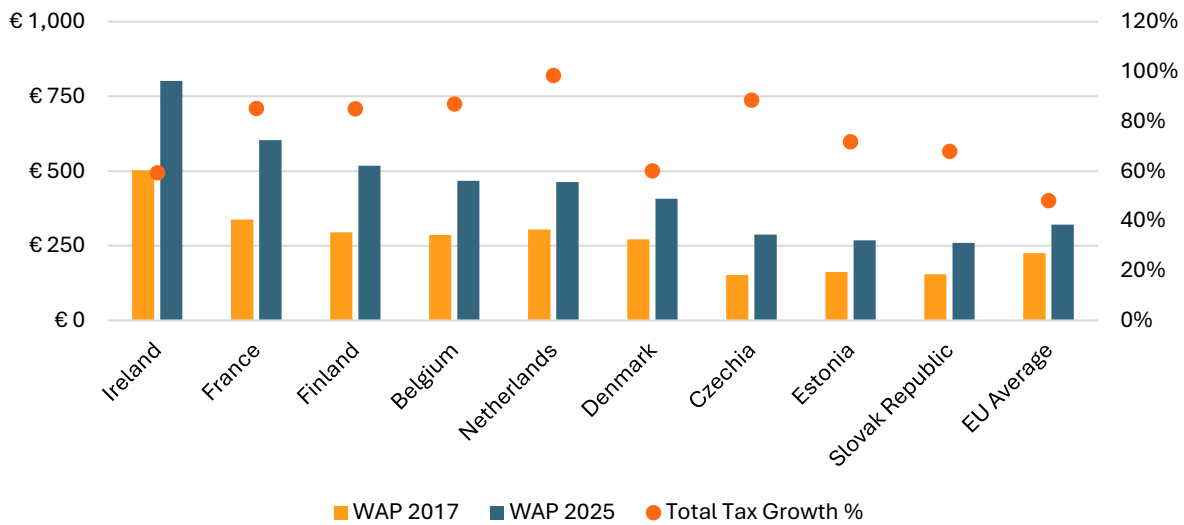


Chart source: Taxes in EU Database (TEDB). WAP stands for Weighted average price per 1000 cigarettes.

### 2.1 Demand-side drivers

#### *Affordability and price differentials*

Over the past six years, consumers have faced a series of pressures that have constrained their disposable income. COVID-19 lockdowns ate into income, particularly for workers unable to work remotely, while all EU consumers faced an inflationary spike in 2022 and 2023. Wages across the EU did not increase in step<sup>2</sup> with inflation, resulting in declining purchasing power. This prompted consumers to engage in a range of “trading down” shopping behaviours, including switching brands or purchase outlets to find lower prices.<sup>3</sup> Within the context of this broader, increasingly value-driven behaviour, consumers have developed a greater openness to lower priced counterfeit and other illicit cigarettes.

When budgets are strapped, illicit cigarettes can be appealing, especially when legal, duty-paid cigarettes cost 2-3 times more than illicit.<sup>4,5</sup> As of 2024, in a situation where

average excise and VAT accounts for 82% of legal cigarette prices in the EU<sup>6</sup>, the availability of illicit products becomes particularly salient when framed in terms of affordability.<sup>7</sup>

#### *Consumer receptivity*

Consumers of counterfeit cigarettes can fall into three groups: consumers that are unaware they are consuming counterfeit cigarettes, those that are aware and do not care, and those that are aware and are concerned about consuming counterfeit cigarettes. Research suggests that the first group, those unaware, is likely the largest however the second group, those aware and generally indifferent, may be growing. By 2023, 31% of Europeans found it acceptable to buy counterfeit products (all categories) if the genuine product’s price is too high, a figure that jumps to 50% among consumers aged 15-24.<sup>8</sup> Only 13% of Europeans, however, admitted to having purchased

counterfeit products (all categories) in the past year.<sup>9</sup>

Declining purchasing power specifically may help to remove stigma from the purchase of ‘similar’ across a broad range of product categories, with ‘dupes’ being promoted by social media influencers, and consumers celebrating being ‘smart shoppers’ when purchasing them.

#### *Product substitution*

According to Euromonitor’s Nicotine Consumer survey 2024, among European smokers planning to reduce or quit cigarette usage, 29% of respondents plan to switch nicotine products as part of this strategy.<sup>10</sup> However, product bans on heated tobacco, nicotine pouches and flavoured vapes, may create obstacles for product substitution. Moreover, after health concerns, saving money is the most common explanation by respondents for planning to reduce or quit cigarettes.<sup>11</sup> While there is no conclusive evidence linking product bans and counterfeit consumption, this relationship should be explored in more detail to understand how consumers respond to price constraints according to limited alternative nicotine product options.

## **2.2 Regulatory and enforcement drivers**

Government policies and regulations, by their rigour, absence or uneven application and enforcement, may unintentionally stimulate or provide fertile ground for the growth of both the sales and manufacturing of illicit cigarettes. Steep tax increases, bans on nicotine products, regulations on place of purchase, the extent of inspection and

enforcement measures, and penalties all intersect, along with demand factors, to create a more or less hospitable environment for criminal actors to exploit.

#### *Excise harmonisation pressures*

Governments typically use excise tax on tobacco products to both discourage smoking by making it more expensive and to increase tax revenue. The EU’s Tobacco Excise Directive (TED), in place since 2011, provided an EU-wide excise structure composed of a minimum fixed rate  $\geq$  €90 per 1000 cigarettes plus an overall excise rate of at least 60% of the weighted average price (WAP), with higher rates being at the discretion of individual countries.<sup>12</sup> As of 2024, this has resulted in excise plus VAT percentage share of WAP ranging from 67.5% in Germany to 110% in the Netherlands. These variances contribute to significant price differences between EU countries, as well as with non-EU neighbours, creating an opportunity for organised criminals to leverage these gaps.<sup>13</sup>

The European Commission has proposed a revision to the TEX that would significantly raise the minimum excise rate on 1000 cigarettes to €215 and the ad valorem rate to 63%.<sup>14</sup> While one of the aims of the proposed harmonisation of higher excise tax is to curb intra-EU illicit cigarette flows, there is concern that rapid increases in legal cigarette prices may create opportunities for organised criminals to serve increasingly price sensitive- consumers, particularly when combined with other drivers such as enforcement gaps or supply disruptions. This was the case in France, where

## Siezed counterfeit cigarettes, 2023-2025

(mn cigarette equivalent)

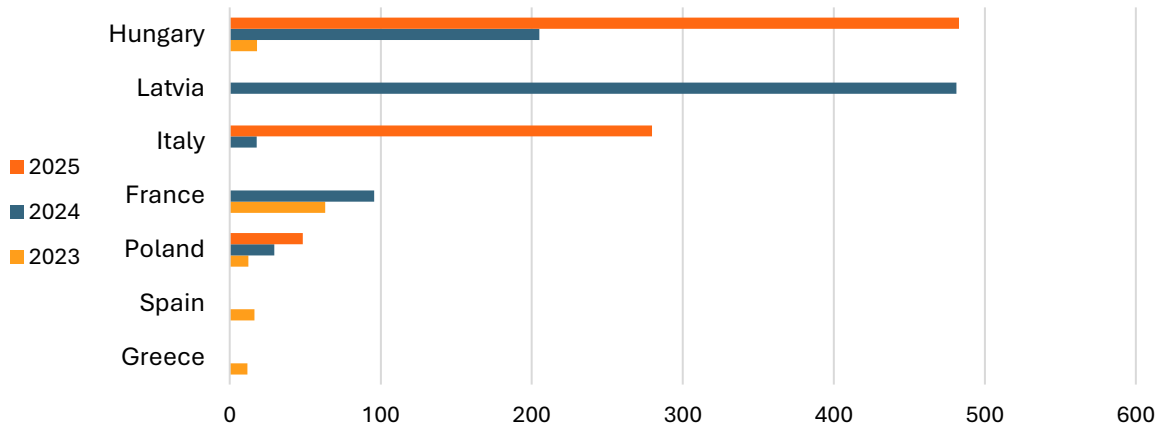


Chart source: collected secondary sources (Budapesttimes.hu, Reuters.com, Tobacco-Reporter.com)

consecutive excise increases raised cigarette prices annually by more than 11% from 2018-2020<sup>15</sup>, leading to a progressive rise in illicit consumption and a significant jump in counterfeit presence by 2020. A similar, excise-driven, rapid rise in the price of legal cigarettes would cause a reduction in consumer purchasing power<sup>16</sup>, thereby stimulating demand for cheaper illicit products while creating an opportunity for increased profit margins for organised criminals.

### Fragmented enforcement

Despite strong customs enforcement efforts, the Transnational Alliance to Combat Illicit Trade's 2025 Illicit Trade Index Report notes that the EU performs weakest on supply chain intermediaries, including postal security and e-commerce oversight.<sup>17</sup> According to the World Trade Organisation data, the global volume of shipped parcels increased by 150% between 2016 and 2022 increasing the challenge for customs and illicit enforcement.<sup>18</sup> As the *de minimus* value

threshold for shipments that may bypass or only face limited customs inspections has been €150 since July 2021,<sup>19</sup> low-value counterfeit and contraband-containing parcels can easily go uninspected, facilitating their low-risk distribution.

Amid recent tightening of border controls relative to Belarus, notably in Poland, and the applications of sanctions targeting Belarus and Russia<sup>20</sup>, there has been a reduction in counterfeit smuggling to the EU from that hub, dropping from 2.1 to 1.5 bn sticks between 2023 and 2024.<sup>21</sup> To adapt to this reality, organised criminals shifted their focus towards increased intra-EU counterfeit production.

Lack of sufficient enforcement and penalties make counterfeit cigarette manufacturing a relatively low risk activity when compared to activities such as drug trafficking. It is often only factory workers who are picked up in raids and they are often subjected only to administrative sanctions or minimal custodial sentences.<sup>22</sup> Although the WHO Protocol to Eliminate Illicit Trade in

Tobacco Products, to which all EU member countries adhere, encourages the control of manufacturing equipment,<sup>23</sup> this provision is unevenly applied across the EU.

#### *Product bans and constrained legal substitution*

Product bans, whether on flavours that have a particular appeal to a demographic of concern, or placed on a category of tobacco/nicotine product, are intended to limit consumption. For products such as heated tobacco or vapes, bans may reduce the set of legal alternatives that consumers would otherwise transition to when moving away from more costly and more harmful cigarettes, potentially increasing demand for counterfeit cigarettes.

### **2.3 Supply-side drivers (manufacturing)**

#### *Nearshoring and diversified production strategies*

COVID-19 caused significant disruptions in illicit transport routes and production, particularly from China and other Asian countries. However this only heightened an already existing trend of counterfeit cigarette nearshoring, that has been further encouraged by the Russia-Ukraine war's dampening of smuggling of production from Ukraine and Belarus. By relocating production closer to end-markets, organised crime networks are able to reduce transport costs and avoid increased EU border crackdowns, while also increasing responsiveness to local demand.

Criminal networks in the EU are using a decentralised but interconnected structure in their manufacturing operations.<sup>24</sup>

Factories range from sophisticated multi-stage facilities with multiple production lines, living quarters for workers, warehousing and in some cases independent electricity generation<sup>25</sup>, to smaller operations where production steps are broken apart and executed at different locations.<sup>26</sup> While seizures from raids on manufacturing sites in Poland suggest a prevalence of smaller scale operations in that country<sup>27</sup>, very large-scale factories have been uncovered in Latvia<sup>28</sup>, France<sup>29</sup> and Hungary<sup>30</sup>.

Raids on larger factories have demonstrated that they are able to generate as much as €900 million annually.<sup>31</sup> When smaller illegal factories can be set up for as little as €1 million,<sup>32</sup> criminal organisations can breakeven within a month of operations. Not only is the illicit cigarette manufacturing lucrative, but the relatively low penalties associated with these operations, make them a lower-risk alternative compared to other criminal activities. These incentives have driven intra-EU counterfeit production. According to l'Union des Fabricants (UNIFAB), available evidence suggests that a substantial proportion of counterfeit cigarettes consumed in the EU are produced domestically, reflecting the shift toward nearshored manufacturing.<sup>33</sup>

#### *Labour mobility and exploitation*

The effective operation of these factories relies heavily on skilled labour, typically recruited from Eastern Europe, where many workers have prior experience in legitimate tobacco manufacturing facilities in their

countries of origin. With the majority of workers found at raided sites coming from Ukraine, criminal organisations exploit the vulnerability of individuals displaced by conflict and lacking regular legal status, subjecting them to exploitative working conditions, including excessive working hours and confined living arrangements linked to production facilities.<sup>34</sup> These workers are easily replaced and generally face minimal penalties when caught, lowering operational risk for criminal networks.

#### *Supply chain*

Illicit cigarette production operations often use the same sourcing for raw tobacco, papers, filters and packaging materials as legal production.<sup>35</sup> For example, cigarette manufacturing machinery used at production sites is easily accessible machinery, typically either second-hand or replica machinery produced in China.<sup>36</sup>

The COVID-19-prompted consumer adoption of online shopping channels created new opportunities for less visible distribution of counterfeit and other illicit cigarettes. Direct to consumer sales could be conducted via legitimate online marketplaces<sup>37</sup> or social media platforms<sup>38</sup>, leveraging postal shipments and small-parcel delivery services that are at low-risk for verification. For larger-scale shipments, illicit producers typically operate within a networked ecosystem that leverages organised crime specialists, particularly groups experienced in the transport and distribution of counterfeit goods and in evading controls under the EU Excise Movement and Control System (EMCS).<sup>39</sup>

## France

France's 2018–2020 National Tobacco Control Strategy implemented successive excise tax increases, raising cigarette pack prices by 11.8%, 11.4% and 13.3%. Over 2017–2020, total cigarette consumption and overall illicit consumption declined at CAGRs of –5.9% and –1.1% respectively, while counterfeit cigarette volumes increased sharply, growing at a 219.6% CAGR. As the impact of excise tax/pack price increases were already underway, the dramatic increase that year is more likely attributable to the compounding effects of the COVID-19 pandemic, flavour bans and criminal networks having been already organised and ready to take advantage of the other drivers in 2020. Notably, France's approach excise taxation included a 5.3pp increase in the Ad Valorem component (the highest in the EU), disproportionately impacting higher priced cigarettes.

### **2.4 Geographic and social drivers**

Geographic proximity to other nations that serve or previously served as major illicit cigarette hubs, or where cigarettes are much cheaper, can be a significant factor in the size of a country's own illicit market or its involvement in intra-EU illicit flows. Latvia, for example, which had historically been part of smuggling routes from Belarus, saw a

particularly large raid on a counterfeit cigarette factory in 2024.<sup>40</sup> Similarly, once inside the Schengen Zone, illicit products face fewer controls.

The penetration of organised crime within a country, as well as the country's existing level of corruption, are also factors that help drive increased illicit cigarette production. France and Greece, the countries with the top volumes of counterfeit cigarette consumption, both score significantly above the EU average on the Organised Crime Index.<sup>41</sup>

It is of note that countries that have higher levels of counterfeit cigarette consumption, such as France, are not necessarily the countries with the highest illicit manufacturing production, though high production countries are more often contiguous to or part of established transit hubs.<sup>42</sup> This highlights how counterfeit is a major issue for the EU as a whole, not just those experiencing high consumption rates. Indeed, demand for counterfeit cigarettes in certain countries may contribute to fuelling criminality elsewhere.

### 3. Societal, fiscal, and security consequences

Counterfeit cigarette manufacturing and consumption impose significant fiscal losses, public health risks, labour exploitation, and security threats, reinforcing the EU's exposure as a hub.

#### 3.1 Fiscal impacts

It is estimated that roughly €14.9 bn in combined excise tax and VAT revenue was lost to illicit cigarette consumption across the EU in 2024.<sup>43</sup> France, for example, has seen excise revenue decrease over the last three years. With counterfeit levels reaching 31.3% of illicit sales at a minimum (other publicly available sources such as KPMG estimate 39%)<sup>44</sup>, tax losses to counterfeit consumption are at least €4.23 bn. For counterfeit cigarettes, this represents a 75% increase over 2023. These losses hinder governments' ability to fund public programs.

#### 3.2 Public health impacts

Consumption of counterfeit and other illicit cigarettes has a direct impact on national health strategies. As more countries tighten their harm reduction policies to reduce cigarette consumption, the availability of illicit cigarettes directly undermines these efforts by bypassing warning requirements, age checks, as well as regulated quality control.

Illicit cigarettes can bypass controls on purchasing age when sold via unofficial or grey market channels<sup>45</sup>, thereby providing accessibility to habit- and addiction-forming products at a younger and more susceptible age than is permitted for legal products. Low-income- groups may also be more likely to consume lower-priced, illicit cigarettes than other consumer segments due to limited disposable income and notable price advantages among illicit products.

#### 3.3 Social and labour impacts

Raids on counterfeit cigarette factories in the EU repeatedly underscore the role of exploitative working conditions and even human trafficking in illicit manufacturing. War refugees from Ukraine are frequently found working and living in dormitories in these facilities, having been lured or coerced by criminal actors<sup>46</sup>, working for low pay and without contracts,<sup>47</sup> with some being subjects of human trafficking<sup>48</sup> or debt bondage. Dormitories are often windowless and they may be denied communications with the outside.<sup>49</sup>

Beyond the direct human impacts to engaged actors, the growth of the illicit cigarette market contributes to a societal permissiveness that normalises a broader grey economy. This encourages consumer openness to all kinds of products produced outside the structured business economy that must comply with regulatory and taxation protocols. It also engages a range of otherwise legitimate actors, including logistics providers and property landlords, who may perceive lower reputational or ethical risks in associating with cigarette counterfeiting than with more overt forms of

organised criminal activity. This dynamic ultimately undermines compliant businesses and weakens the integrity of legitimate markets.

### 3.4 Security impacts

Counterfeiting and its impacts have been overlooked compared to other criminal activities. Yet, counterfeiting has a high correlation with other criminal activities, which share networks, routes and financial flows.<sup>50</sup> Criminal networks involved in illicit tobacco also engage in money laundering, migrant smuggling, drug trafficking and property crimes.<sup>51</sup> Proceeds from illicit cigarette trade are used to fund other criminal activities such as drug and weapons trafficking<sup>52-53</sup>, and in some cases militant terror groups.<sup>54</sup>

Indeed, counterfeit cigarette manufacturing has been a highly successful enterprise for criminal groups operating in Europe over the last decade. More sophisticated manufacturing operations and strategies suggest that revenues are being reinvested to scale up capacity and build in resiliency.

## 4. Conclusions and key takeaways

Since the 2010s, data clearly indicates that the EU has become a major hub within the global context for both consumption and manufacturing of counterfeit cigarettes. Multiple factors such as supply chain disruptions, rising inflation, shifting regulations and local enforcement strategies combine to create an

environment that can stimulate demand and production.

A key factor is the decreasing affordability of legal cigarettes, which contributes significantly to both supply of and demand for illicit cigarettes. Criminal organisations have seized upon this opportunity and have developed successful local manufacturing

strategies. France, Greece, Poland, Hungary and Spain together represent the majority of counterfeit cigarette consumption in the EU. Several other markets, including Ireland, Portugal, Croatia and Lithuania, have particularly high counterfeit volume growth rates over the 2020-2024 period.

Other EU markets, such as Germany, have successfully managed to maintain low counterfeit incidence rates while raising the cost of cigarettes. However, these countries face two key risks from the current state of counterfeit cigarette consumption and manufacturing in the EU:

- 1) An apparent increasing acceptance of counterfeit cigarettes, especially among youth, coupled with a increasing cost burden for legal cigarettes; and,
- 2) A growing counterfeit cigarette manufacturing industry displaying operational sophistication, flexibility and capacity for scale.

The drivers of counterfeit consumption and manufacturing play out differently across each EU member state. However, momentum is building rather than abating, on both the supply and demand side, and neither consumer preferences nor criminal organisations are confined by national boundaries.

HIGH PROFITABILITY, RELATIVELY LOW PENALTY RISK MAKES INTRA-EU MANUFACTURING OF COUNTERFEIT CIGARETTES AN ATTRACTIVE ALTERNATIVE TO OTHER CRIMINAL ACTIVITY. WITH THE ADDED INCENTIVE OF AN EXPANDING GAP BETWEEN PRODUCTION COSTS AND RETAIL SALES PRICES FOR LEGAL, DUTY-PAID CIGARETTES, EU-BASED MANUFACTURING CAN BE EXPECTED TO CONTINUE ITS GROWTH TREND.

#### Key takeaways

- Counterfeit cigarettes now represent the fastest growing segment of the EU's illicit tobacco market, driven by 5 key markets, especially France.
- Manufacturing has decisively shifted inside the EU, particularly to Western European demand markets as illegal manufacturing organisations have become increasingly diverse in their operational strategies.
- Fiscal, health, and security costs are rising despite declining legal cigarette consumption.

*Disclaimer:*

*Euromonitor compiled this report independently, based on Euromonitor Passport historical data, publicly available sources such as Eurostat, Europol etc and KPMG’s Empty Pack Survey data. Euromonitor has not independently verified any data cited in the report which is not our own proprietary data. The data, estimates and figures should be regarded as indicative rather than definitive. Accordingly, users are solely responsible for any use or decisions made based on the information contained herein. Euromonitor does not endorse nor support any specific policy recommendation cited in this document.*

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<sup>i</sup> Countries included in statistics include: EU: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden; Middle East & Africa: Algeria, Burkina Faso, Egypt, Libya, Tunisia, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Turkey, UAE; Latin America: Argentina, Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Panama; Australasia: Australia, New Zealand; Asia Pacific: Bangladesh, Cambodia, Hong Kong, India, Indonesia, Korea, Macau, Mongolia, Philippines, Singapore, Taiwan, Thailand, Vietnam, Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan.

<sup>2</sup> Eurostat <https://ec.europa.eu/eurostat/data/database#Data%20navigation%20tree>

<sup>3</sup> McKinsey, [European consumer sentiment: 2023-2024 archive](#)

<sup>4</sup> In 2023, illicit packs in France sold for €5–€6, while legal packs sold for €10–€11

<https://www.theguardian.com/world/2023/may/28/france-struggles-stub-out-explosion-contraband-cigarettes>

<sup>5</sup> In 2022, illicit packs in Ireland sold for ~€5, while legal packs sold for ~€14–€15

<https://www.itmac.ie/industry-positions/illicit-trade/#:~:text=The%20illicit%20trade%20is%20driven,the%20single%20biggest%20contributory%20factor.>

<sup>6</sup> European Union, [Taxes in Europe database v5](#)

<sup>7</sup> Calderoni, Francesco, Marco Dugato, Virginia Aglietti, Alberto Aziani, and Martina Rotondi. 2017. ‘[Price and Non-Price Determinants of the Illicit Cigarette Trade: Analysis at the Subnational Level in the EU](#)’. In *Dual Markets*, 267–86.

<sup>8</sup> European Union Intellectual Property Office, [European Citizens and Intellectual Property: Perception, Awareness and Behavior - 2023](#)

<sup>9</sup> European Union Intellectual Property Office, [European Citizens and Intellectual Property: Perception, Awareness and Behavior - 2023](#)

<sup>10</sup> Euromonitor Nicotine Survey, 2025. No. respondents for Europe: 5,374. “*You mentioned you plan to consume fewer of the following products or stop consuming entirely. Are you planning to replace your consumption with any other types of nicotine or tobacco products? (Cigarettes)*”

<sup>11</sup> Euromonitor Nicotine Survey, 2025. No. respondents for Europe: 5,374. 74% of respondents selected saving money as a reason for decreasing or stopping current tobacco and nicotine consumption.

<sup>12</sup> The Council of the European Union, ‘[Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco \(codification\)](#)’, 21 June 2011

<sup>13</sup> Europol, [The Changing DNA of Organized Crime](#), 2025

<sup>14</sup> European Commission, [Revision of Tobacco Taxation Directive \(proposal\)](#), July 2025.

<sup>15</sup> Topart, Francois, et al. [Analyzing arguments on tobacco tax increases. Focus on French parliamentary questions and responses, 2000–2020.](#), *Tob Induc Dis.* 2024 Jan 8;22.

<sup>16</sup> Transnational Alliance to Combat Illicit Trade, [2025 Illicit Trade Index Report](#), p38

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- <sup>17</sup> Transnational Alliance to Combat Illicit Trade, [2025 Illicit Trade Index Report](#), p40, March 2025
- <sup>18</sup> Union des Fabricants and Global Anti-Counterfeiting Group, [Counterfeiting & Organized Crime](#), June 2025
- <sup>19</sup> [https://taxation-customs.ec.europa.eu/customs/customs-procedures-import-and-export/customs-operations/customs-formalities-low-value-consignments\\_en](https://taxation-customs.ec.europa.eu/customs/customs-procedures-import-and-export/customs-operations/customs-formalities-low-value-consignments_en)
- <sup>20</sup> European Commission, [EU adopts 19th package of sanctions against Russia](#), 23 October 2025
- <sup>21</sup> Tobacco Reporter, [At the turning point](#), December 2, 2024
- <sup>22</sup> Example of criminal cigarette manufacturing operation <https://elpais.com/espana/2021-01-04/esclavos-del-tabaco.html>
- <sup>23</sup> Brenda Oude Breuil et al, Smoke and mirrors: Empirical research into the illegal trade in tobacco products in Europe, in: *Combating Illicit Trade in Tobacco Products: In Search of Optimal Enforcement*, Stanisław Tosza and John AE Vervaele (eds), Cham: Springer, 2022, p. 61.
- <sup>24</sup> Union des Fabricants (UNIFAB), [Counterfeiting & Organized Crime](#), June 2025
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- <sup>26</sup> Union des Fabricants (UNIFAB), [Counterfeiting & Organized Crime](#), June 2025
- <sup>27</sup> KPMG, [Illicit cigarette consumption in Europe 2023](#); KPMG, [Illicit cigarette consumption in Europe 2024](#); Tobacco Reporter, [Poland dismantles Armenian crime gang running illegal cigarette factories](#), November 18, 2025
- <sup>28</sup> Tobacco Reporter, [Latvian officials make arrests in cigarette counterfeiting ring](#), April 9, 2025
- <sup>29</sup> KPMG, [Illicit cigarette consumption in Europe 2024](#)
- <sup>30</sup> Tobacco Reporter, [Hungary Dismantles €67M Illegal Cigarette Network](#), May 22, 2025; Budapest Times, [‘NAV reports success against illegal tobacco market’](#), 9 April 2025
- <sup>31</sup> Tobacco Reporter, [Italy busts largest counterfeit cigarette factory](#), September 30 2025.
- <sup>32</sup> Chrisafis, Angelique, *The Guardian*, [France struggles to stub out ‘explosion’ in contraband cigarettes](#), 28 May 2023.
- <sup>33</sup> Union des Fabricants (UNIFAB), [Counterfeiting & Organized Crime](#), June 2025, p35.
- <sup>34</sup> Brenda Oude Breuil et al, Smoke and mirrors: Empirical research into the illegal trade in tobacco products in Europe, in: *Combating Illicit Trade in Tobacco Products: In Search of Optimal Enforcement*, Stanisław Tosza and John AE Vervaele (eds), Cham: Springer, 2022, p. 59.
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