



PHILIP MORRIS
INTERNATIONAL



ILICIT
TRADE
PREVENTION

Illicit Trade in Europe Is Not Marginal —It Is a Policy Outcome

Balanced regulation is essential to protect consumers, public health,
deter illicit trade, and safeguard a smoke-free future

WHY THIS MATTERS IN EUROPE

Reducing smoking prevalence, protecting youth, and combating illicit trade all depend on **effective regulation and enforcement**.

Evidence consistently shows that **extreme policies—such as outright bans—do not eliminate demand**. Instead, they **displace it into illicit markets**.

Illicit trade is not accidental; it is a **predictable consequence** when regulation ignores market realities.

WHAT HAPPENS UNDER PROHIBITION



Belgium*

- Nearly three years after a ban on nicotine pouches, **illicit trade remains widespread**
- Inspections have found non compliance in **hundreds of retail outlets**
- Independent field research in Brussels revealed:
 - **1 in 4 shops** selling nicotine pouches despite the ban
 - **1 in 4 products** were counterfeit
 - **Nearly one third** exceeded nicotine levels that would be illegal under any regulated EU framework



Outcome:

Consumers face unverified products, enforcement is strained, and criminal networks thrive. Bans did not remove products—they removed transparency and accountability.



Germany**

- Despite a sales ban:
 - Nicotine pouches were available **“under the counter”** in around **1 in 6 stores**
 - **More than half** of illicit products exceeded commonly accepted nicotine level thresholds
 - **Counterfeit incidence far exceeded** that seen in cigarettes

A STARK CONTRAST



Cyprus***

Cyprus has adopted a **regulated framework** for nicotine pouches:

- Legal sales under **defined criteria and conditions**
- Clear product requirements
- Oversight that brings activity back into lawful channels



Result:

Consumer risk is reduced, and enforcement can focus on criminal networks.

WHAT WORKS BETTER

Evidence points to **balanced, data-driven regulation**, including:

- Legal, regulated markets for smoke-free products
- Robust enforcement and strong penalties against criminal operators

Law enforcement and consumer policy must advance together.

PMI'S ILICIT TRADE PREVENTION (ITP) TEAM

We work to disrupt the illicit manufacture, distribution, and sale of contraband and counterfeit products through:

- Robust supply chain controls and product authentication measures
- Close collaboration with law enforcement and public-private partnerships

Ensuring balanced policymaking and addressing illicit trade are indispensable to progress—where public health, consumer protection, and enforcement advance together.



*Q4 2024, Full nicotine pouch can survey in Brussels, WSPM Group [Commissioned by Philip Morris International]

**June-August 2025, Full nicotine pouch can survey in Germany, Ipsos [Commissioned by Philip Morris International]

*** <https://en.politis.com.cy/social-lens/994667/cyprus-passes-law-regulating-nicotine-pouches>