

Illicit cigarette consumption in Europe

Results for the calendar year 2024

11 June 2025



Important notice

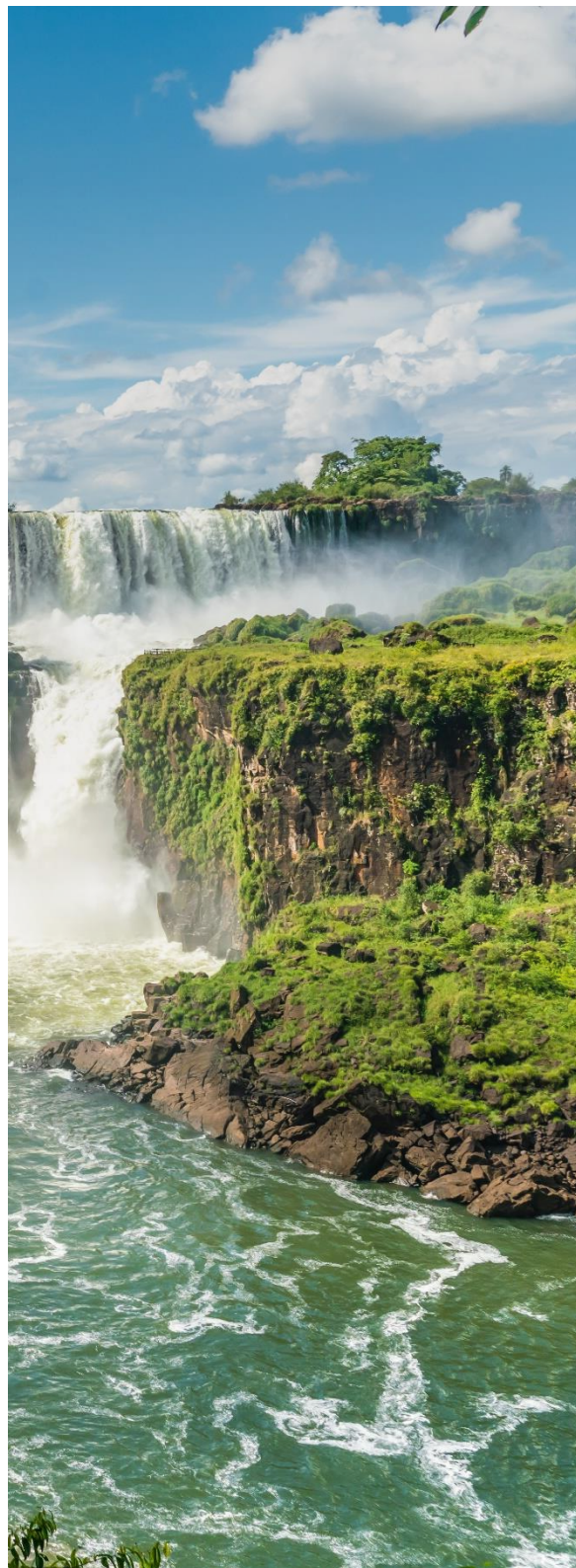
This report of key findings (the 'Report') has been prepared by KPMG LLP. The Report was commissioned by PMPSA (Philip Morris Products SA), described in this Important Notice and in this Report as the 'beneficiary', on the basis set out in a private contract agreed between the beneficiary and KPMG LLP dated 17 February 2025.

Information sources, the scope of our work, and scope and source limitations are set out in the footnotes and methodology contained within this Report. The scope of our work, information sources used, and any scope and source limitations were fixed by agreement with the beneficiary. We have satisfied ourselves, where possible, that the information presented in this Report is consistent with the information sources used, but we have not sought to establish the reliability of the information sources by reference to other evidence. We relied upon and assumed without independent verification, the accuracy and completeness of information available from public and third-party sources.

The findings contained in this Report are those of KPMG LLP. The Report does not include opinions of PMPSA.

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In particular, and without limiting the general statement above, although we have prepared this Report in agreement with the beneficiary, this Report has not been prepared for the benefit of any other manufacturer of tobacco products nor for any other person or entity who might have an interest in the matters discussed in this Report, including for example those who work in or monitor the tobacco or public health sectors or those who provide goods or services to those who operate in those sectors.



Glossary

Average daily consumption	Daily average consumption by the population of the legal smoking age
BAT	British American Tobacco plc
Bn	Billion
~	Approximately
C&C	Counterfeit and Contraband, including Illicit Whites
CAGR	Compound Annual Growth Rate
Cigarette	Any factory-made product that contains tobacco and is intended to be burned under ordinary conditions of use
Consumption	Actual total consumption of cigarettes in a market, including Legal Domestic Consumption (LDC) and illicit products as well as those legally purchased overseas
Contraband (CB)	Genuine products that have been either bought in a lower-tax country and which exceed legal border limits or acquired without taxes for export purposes to be illegally re-sold (for financial profit) in a higher priced market
Counterfeit (CF)	Cigarettes that are illegally manufactured and sold by a party other than the original trademark owner. In this Report, counterfeit volumes are reported from the manufacturers (BAT, IB, JTI and PMI) participating in the empty pack surveys conducted by third party research agencies. No other counterfeit is included in the volumes reported due to lack of information
Country of origin	Country from which the packs collected are deemed to have originated. This is determined by either the tax stamp on the pack or in cases where the tax stamp is not shown, on the health warning and packaging characteristics
Duty Free	Cigarettes bought without payment of customs or excise duties. Consumers may buy Duty Free Cigarettes when travelling into or out of the EU27 (including Switzerland and Norway) by land, air or sea at legal Duty Free shops
EC	European Commission
EU/EU27	European Union
European Flows Calculation	The primary methodology for measuring consumption in a market. The methodology has been developed by KPMG LLP on a bespoke basis for the specific purpose of measuring inflows and outflows of cigarettes in the scope of this project
IB	Imperial Brands PLC
Illegal products labelled “For Duty Free Sale”	Products marked as Duty Free or for export, but sold illegally through domestic retail channels
Illicit Whites (IW)	Cigarettes that are usually manufactured legally in one country/market but which the evidence suggests have been smuggled across-borders during their transit to the destination market under review where they have limited or no legal distribution and are sold without payment of tax
Illicit Whites with no country-specific labelling	Packs of Illicit White Cigarettes which have “duty free” or no identifiable labelling on the packs
IMS	In Market Sales (the primary source of Legal Domestic Sales volumes)

Glossary (cont.)

Inflows	Inflows of Non-Domestic product into a market. Refer to the methodology section for further details
JTI	JT International SA
KPMG LLP	KPMG Limited Liability Partnership, also abbreviated to KPMG
LDC	Legal Domestic Consumption is defined as Legal Domestic Sales (LDS) net of outflows
LDS	Legal Domestic Sales of genuine domestic product through legitimate, domestic channels based on In Market Sales (IMS) data
m	Million
ND	Non-Domestic product – product that originates from a different market than the one in which it is consumed
ND(L)	Non-Domestic (Legal) – product that is brought into the market legally by consumers, such as during a cross-border trip
Non-government controlled-areas	Areas in the Northern part of Cyprus, where the Government of the Republic of Cyprus does not exercise effective control. As defined by the European Commission's Green Line Regulation
OCG	Organised Crime Group
OLAF	Office Européen de Lutte Antifraude also known as the European Anti-Fraud Office
Outflows	Outflows of product from a market. For the purposes of the European Flows Calculation, outflows are to other markets in the study. Refer to the methodology section for further details
PMI	Philip Morris International
PMPSA	Philip Morris Products SA
ppt	Percentage point
Reporting period	The period covered by this Report (2020-2024)
Smoking prevalence	The percentage of smokers in the total population of the legal smoking age
Tobacco taxes	The sum of all types of taxes levied on tobacco products, including VAT. There are two basic methods of tobacco taxation: Normal or specific taxes are based on a set amount of tax per unit (e.g. cigarette); these taxes are differentiated according to the type of tobacco. Ad valorem taxes are assessed as a percentage mark up on a determined value, usually the retail selling price or a wholesale price and includes any value added tax
Total measured consumption	Total cigarette consumption for those categories of consumption which are able to be measured. In Ukraine, pack swap research does not identify the origin markets of packs collected. Due to this limitation no estimate of ND(L) can be made.
Unspecified	Unspecified market variant refers to cigarette packs which do not bear specific market labelling or Duty Free labelling
UNWTO	United Nations World Tourism Organisation
WAP	The weighted average price for cigarettes calculated by reference to the total value of all cigarettes released for consumption, based on the retail selling price including all taxes, divided by the total quantity of cigarettes released for consumption. The WAP is provided by the European Commission Excise Duty Tables

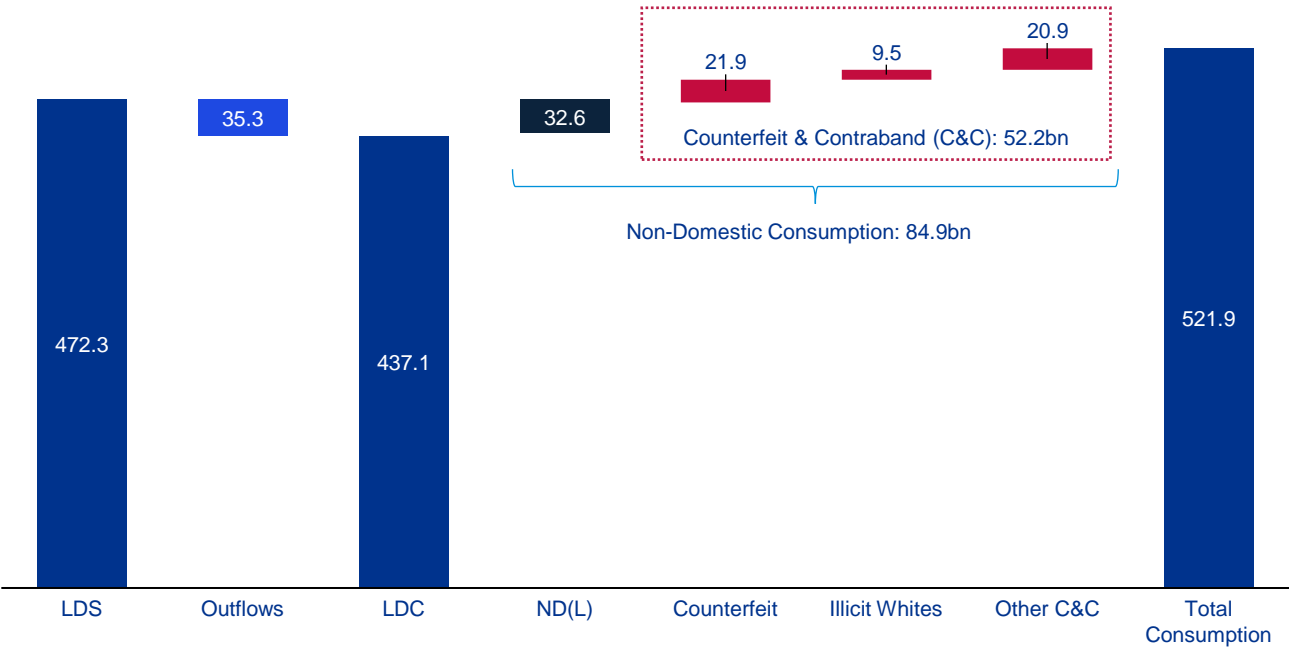
Contents



	Page
01 Executive summary	08
1. Europe 38 markets	09
2. EU27 key figures	31
3. Heated tobacco	32
02 Country profiles	34
03 Methodology: Cigarettes	223
04 Methodology: Heated tobacco	262
05 Appendices: Cigarettes	274
1. Limitations of results	275
2. Empty pack survey results by country	278
3. Pack swap results by country	298
4. Sources	300
5. Scope of work	302
06 Appendices: Heated tobacco	304
1. Limitations of results	305
2. Sources	307
3. Scope of work	308

KPMG's European Flows Calculation: Categorising cigarette consumption

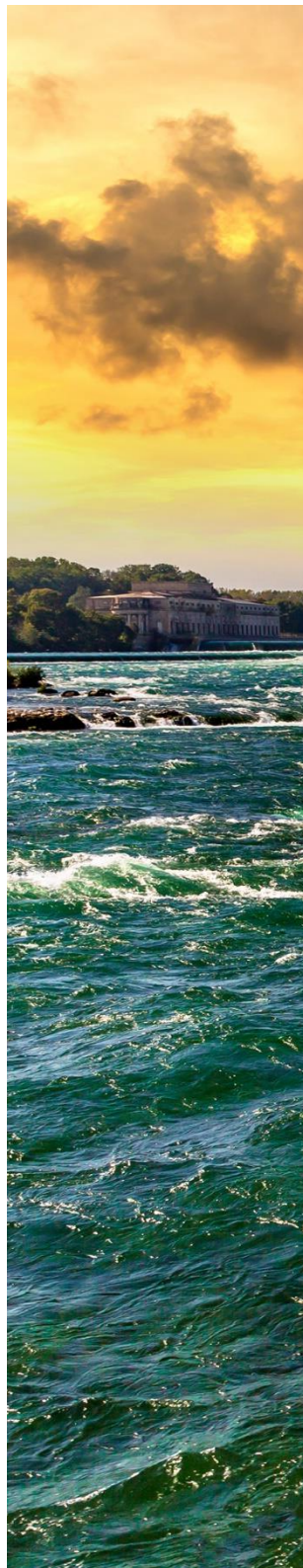
Estimate of total cigarette consumption in 38 European markets, 2024
(bn cigarettes)^{(1)(a)(b)}



- The chart above illustrates KPMG’s core approach to estimating the size and scale of illicit cigarette consumption, known as Counterfeit & Contraband (C&C), which includes Illicit Whites.
- KPMG’s approach, using empty pack surveys (from market research agencies commissioned by tobacco manufacturers) and Legal Domestic Sales (provided by manufacturers and third-party market research agencies) allows us to split total cigarette consumption into its constituent parts.
- Legal Domestic Sales, available in every country, underpin the initial volume estimate, whilst empty pack surveys enable KPMG to estimate the additional ‘Non-Domestic’ component of consumption, which can be further analysed depending on the source and brand of each pack.
- KPMG’s flows calculation ensures that the calculation of inflows and outflows around the 38 European markets are all balanced, so that the overall consumption in each country can be estimated.
- Definitions for each component of cigarette consumption are available in the Methodology section.
- For the first time this Report also highlights the evolution of Heated Tobacco consumption in several selected markets (i.e. the Czech Republic, Germany, Greece, Hungary, Italy, Lithuania, Poland, Romania, Spain and the United Kingdom). A detailed overview of the methodology for this can be found in the Appendix.

Note: (a) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report;
(b) The 38 markets are the EU27, Moldova, Norway, Switzerland, Ukraine, the UK, Albania, Bosnia & Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia;
Source: (1) KPMG European Flows Calculation 2024;

About this Report



This Report is the 2025 output from an annual study estimating the scale and development of the illicit cigarette market in 38 European markets. This Report was commissioned by Philip Morris Products SA for data covering the calendar year 2024. KPMG LLP was previously commissioned by Philip Morris Products SA to undertake this Report for data covering the calendar years 2020 to 2023.

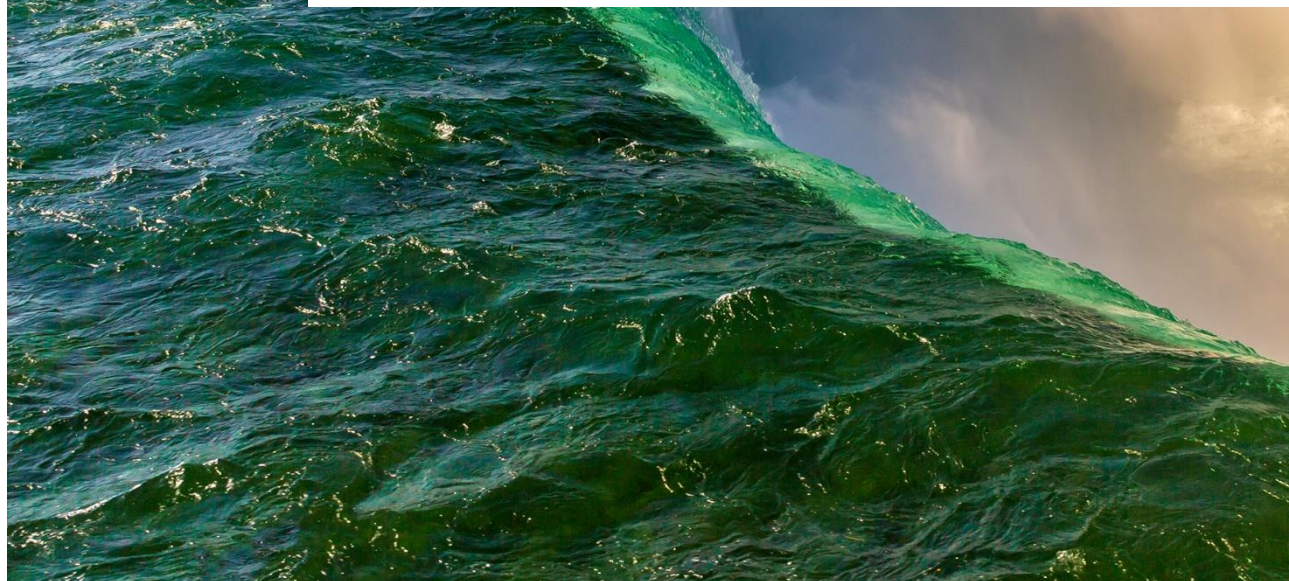
This study covers 38 European markets, which are the EU27, Albania, Bosnia & Herzegovina, Kosovo, Moldova, Montenegro, North Macedonia, Norway, Serbia, Switzerland, Ukraine and the UK.

This study contains an overview of the 38 markets as well as a comparison of the EU27 markets vs the non-EU27 markets. There are also individual reports for each of the 38 markets. More information on the agreed scope of work can be seen in the appendices to this Report.

It should be noted that external issues such as the COVID-19 pandemic and the ongoing war in Ukraine impacted the results between 2020 and 2022, and 2022 onwards respectively.

The methodology used to estimate the size of the illicit cigarette market in connection with the previous annual studies has continued to be applied consistently in this Report, with the underlying data-sources remaining the same. The methodology is underpinned by a combination of hard data, such as legal sales of cigarettes, travel data, publicly available data-points, such as smoking prevalence and average prices of cigarettes, and the empty pack surveys separately commissioned by a number of tobacco manufacturers and undertaken by independent market research agencies. KPMG's approach is to review these data-points to produce the relevant estimates. Details of the overall methodology is provided within this Report.

This Report refers to interviews with law enforcement, which took place as part of the research process for this study.



01



Executive summary

Executive summary

52.2bn

Counterfeit & Contraband cigarettes consumed

+0.08bn
on 2023

+0.2%
on 2023



Of total consumption was C&C

+0.1ppt
on 2023

€19.4bn

Estimated tax revenue lost^(a)

+€2.7bn
on 2023

+16.4%
on 2023

Total cigarette consumption in the 38 European markets continued its long-term declining trend

- Total cigarette consumption declined by 0.7%, mostly due to a 1.6% fall in Legal Domestic Consumption (LDC)⁽¹⁾
- This decrease in LDC has been partially offset by increasing Non-Domestic consumption, with Non-Domestic volumes increasing by 4.4%
- Within Non-Domestic volumes, legal Non-Domestic volumes (ND(L)) continued to grow and contributed to almost all the growth. Whereas illicit cigarette consumption (C&C) increased marginally

Contraband & Counterfeit (C&C) remained relatively static

- Illicit consumption in the 38 markets grew marginally by 0.2% in 2024 to 52.2bn cigarettes; representing 10.0% of total consumption
- Had these cigarettes been legally purchased in the markets in which they were consumed, an additional ~€19.4bn in taxes would have been raised in the 38 markets^(a)
- The marginal growth in illicit consumption has been due to volume growth across a wide number of markets, but especially in France and the Netherlands. However, the large volume declines seen in three of the top four illicit consumption markets of Ukraine, UK and Greece has tempered overall volume growth at the European level
- 25 of the 38 European markets had illicit shares of total consumption of less than 10%. Luxembourg, Bulgaria, Germany, Portugal, Bosnia & Herzegovina, Italy, North Macedonia and Moldova recorded the lowest shares across Europe in 2024

Illicit Whites and Counterfeit volumes increased, while Other C&C volumes decreased

- The composition of C&C in the 38 European markets continues to evolve, with increased volumes of Illicit Whites and Counterfeit^(b), and reduced volumes of Other C&C in 2024. Counterfeit volumes displayed the fastest growth, increasing by 8.7% with Illicit Whites volumes increasing by 7.0%. Other C&C volumes decreased by 9.9%

Law enforcement interviews highlighted the nature of illicit cigarette consumption in Europe, and law enforcement efforts to tackle it, are evolving⁽²⁾

- A key theme this year was around how Organised Criminal Groups (OCGs) are optimising their value chains in illicit cigarette production and distribution
- OCGs are relocating production closer to end markets to cut costs and improve efficiency. They are refining inventory management and using diverse transportation methods to reduce detection risks
- A shift towards direct-to-consumer channels, like online platforms, allows them to bypass traditional retail outlets, complicating law enforcement efforts

Heated tobacco consumption continues to grow, primarily driven by LDC, although ND(L) is emerging

- Our analysis of heated tobacco consumption across ten European markets (Czech Republic, Germany, Greece, Hungary, Italy, Lithuania, Poland, Romania, Spain and UK) highlights that consumption increased by 9.1% in 2024, driven mainly by Legal Domestic Consumption (LDC), which grew by 8.3%. Non-Domestic consumption grew by 21.3%
- Contraband consumption of heated tobacco represented 0.9% of total consumption, with no Counterfeit flows identified. The highest contraband volumes were in Germany and Poland, with the UK having the highest share of contraband consumption at 7.8%.
- Legal Non-Domestic inflows varied, with Germany having the highest volume at 2.01 billion sticks (29.5% of total consumption). Contraband inflows were lower compared to cigarettes but varied in share across the markets.

Note: (a) Tax revenue lost represents estimated excise & VAT if C&C volumes had been consumed legally in the countries of study (b) Counterfeit can only be identified by manufacturers forensically examining their brands collected in empty pack surveys. As only BAT, IB, JTI and PMI participate in the empty pack surveys used in this Report, Counterfeit can only be identified from these manufacturers

Sources: (1) 38 market/ EU27 level results are an aggregation of the European Flows Calculation results for the 38 markets/ EU27, a detailed methodology and list of sources for each market is available in the methodology section of this Report; (2) KPMG interviews with European law enforcement

Law enforcement observations

Our scope of work includes interviewing some law enforcement agencies across Europe to gain their insights on emerging trends in their country and to consider how we could enhance our analysis to better inform them in addressing illicit tobacco flows. We note that reductions in the availability of illicit, typically low-cost tobacco, contributes to their wider tobacco control efforts. As set out below, a key finding our work is that Organised Criminal Groups seem to be optimising their value chains in illicit cigarette production and distribution.

Strategic relocation of production

- OCGs are increasingly optimising their value chain by relocating production closer to end markets
- This shift reduces transportation costs, which have risen due to increased energy and logistics expenses
- While some processing is still conducted elsewhere, the proximity to target markets allows for more efficient operations

Targeted brand production for local markets

- OCGs are focusing on longer production runs of specific brands to meet the demands of local markets
- By tailoring their production to the preferences of consumers in higher-priced European regions, they enhance their ability to penetrate these markets effectively

Enhanced inventory and stock management

- To maximize cash flow, OCGs are refining their inventory management strategies
- There is a noticeable decrease in the size of illicit cigarette seizures, indicating that these groups are holding less stock and accelerating the distribution process
- This approach reduces working capital requirements and mitigates operational risks

Agile and flexible distribution strategies

- OCGs are adopting agile distribution methods to adapt to local market conditions and law enforcement activities
- By diversifying transportation routes and methods, including the use of rail, air freight, and drones, they minimise detection risks
- The ongoing expansion of wider scale small volume, high-frequency smuggling via budget airlines exemplifies their flexible approach

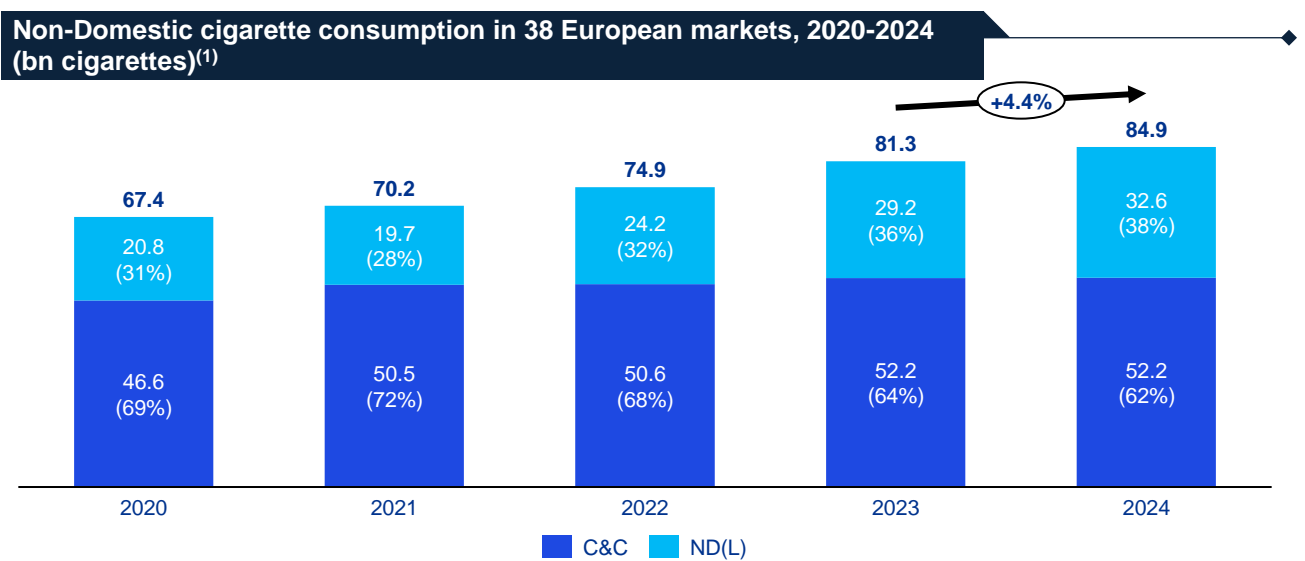
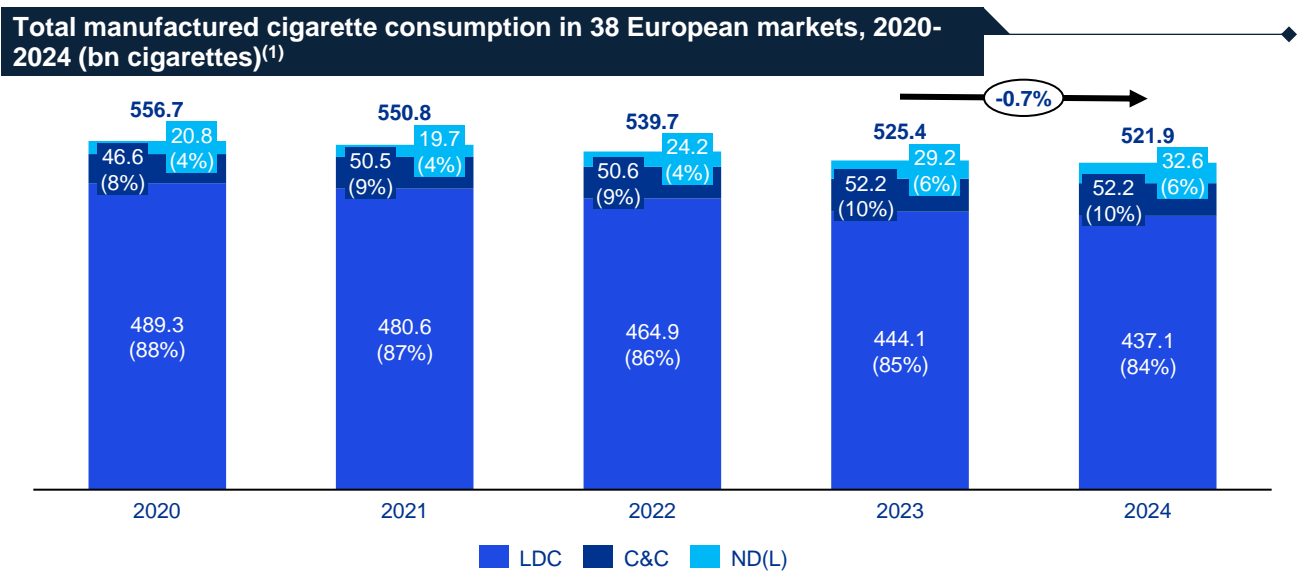
Evolving routes to market

- The routes to market for illicit cigarettes are evolving, with a notable shift towards direct-to-consumer (D2C) channels
- Online platforms and social media are becoming prominent distribution avenues, allowing OCGs to bypass traditional retail outlets
- This trend presents a growing challenge for law enforcement, as it evades the conventional focus on retail channels and introduces complexities in dealing with online sales

Source: (1) Interviews with nine EU27 law enforcement agencies, and two European law enforcement agencies

Cigarette consumption trends

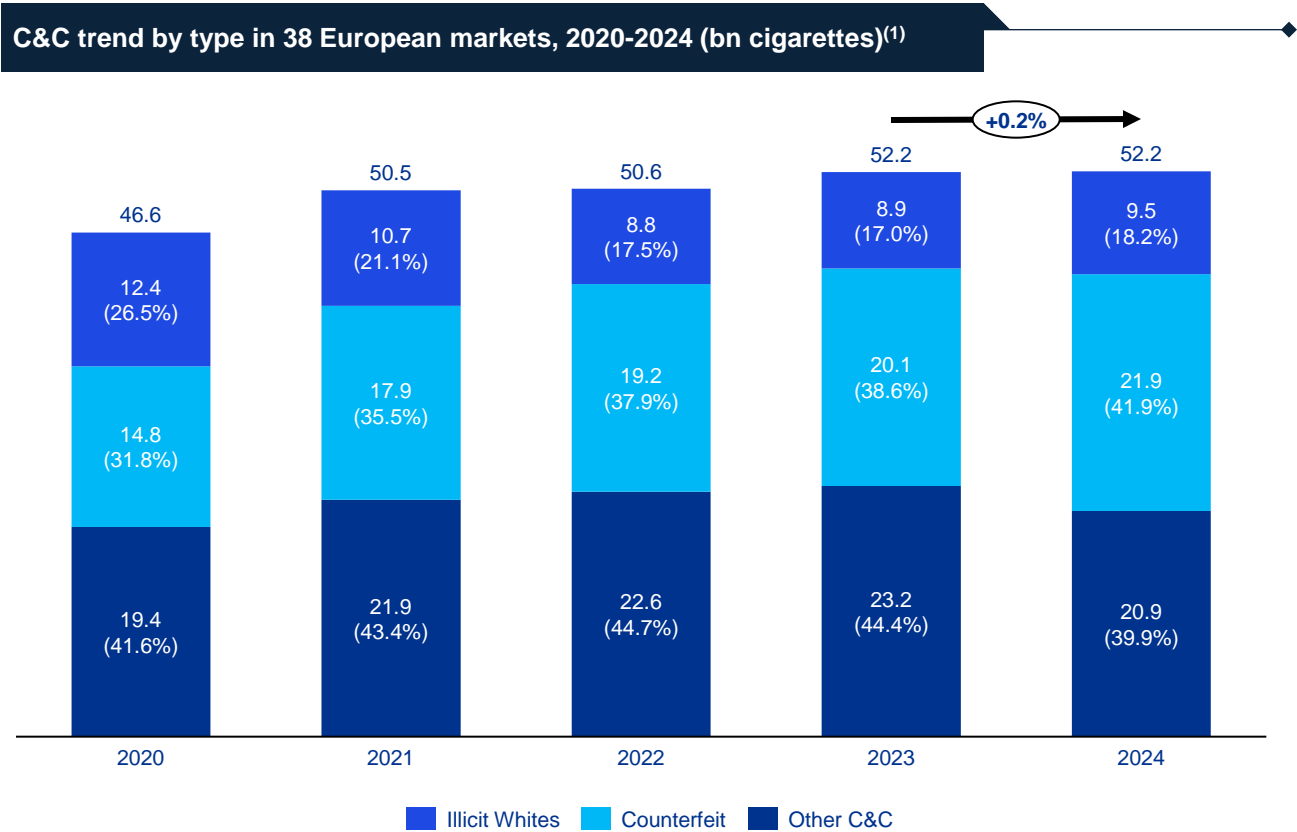
- Total cigarette consumption across the 38 European markets continued to decline, decreasing by 0.7% in 2024
- This decline was primarily due to a decline in Legal Domestic Consumption (LDC) of 1.6%
- In contrast, Non-Domestic cigarette consumption has continued to increase, and grew by 4.4% in 2024
- Legal Non-Domestic volumes (ND(L)) continued to increase in 2024, continuing the long-term growth trend from the lower figures observed in 2020 and 2021 due to COVID-related travel restrictions⁽²⁾⁽³⁾, although remain below pre-COVID levels
- Illicit volumes (C&C) have increased marginally by 0.08bn cigarettes in 2024 and accounted for 62% of Non-Domestic cigarette consumption



Notes: (a) Due to rounding, the difference between totals shown in the chart or commentary may vary from the actuals
 Sources: (1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report; (2) UNWTO; (3) Euromonitor;

C&C trends by type

- Total C&C volumes increased marginally by 0.08bn to 52.2bn cigarettes in 2024
- The composition of C&C in the 38 European markets continues to evolve, with increased volumes of Illicit Whites and Counterfeit, and reduced volumes of Other C&C in 2024
 - Counterfeit volumes displayed the fastest growth, increasing by 8.7%
 - Illicit Whites volumes increased by 7.0%
 - Other C&C volumes decreased by 9.9%



Notes:

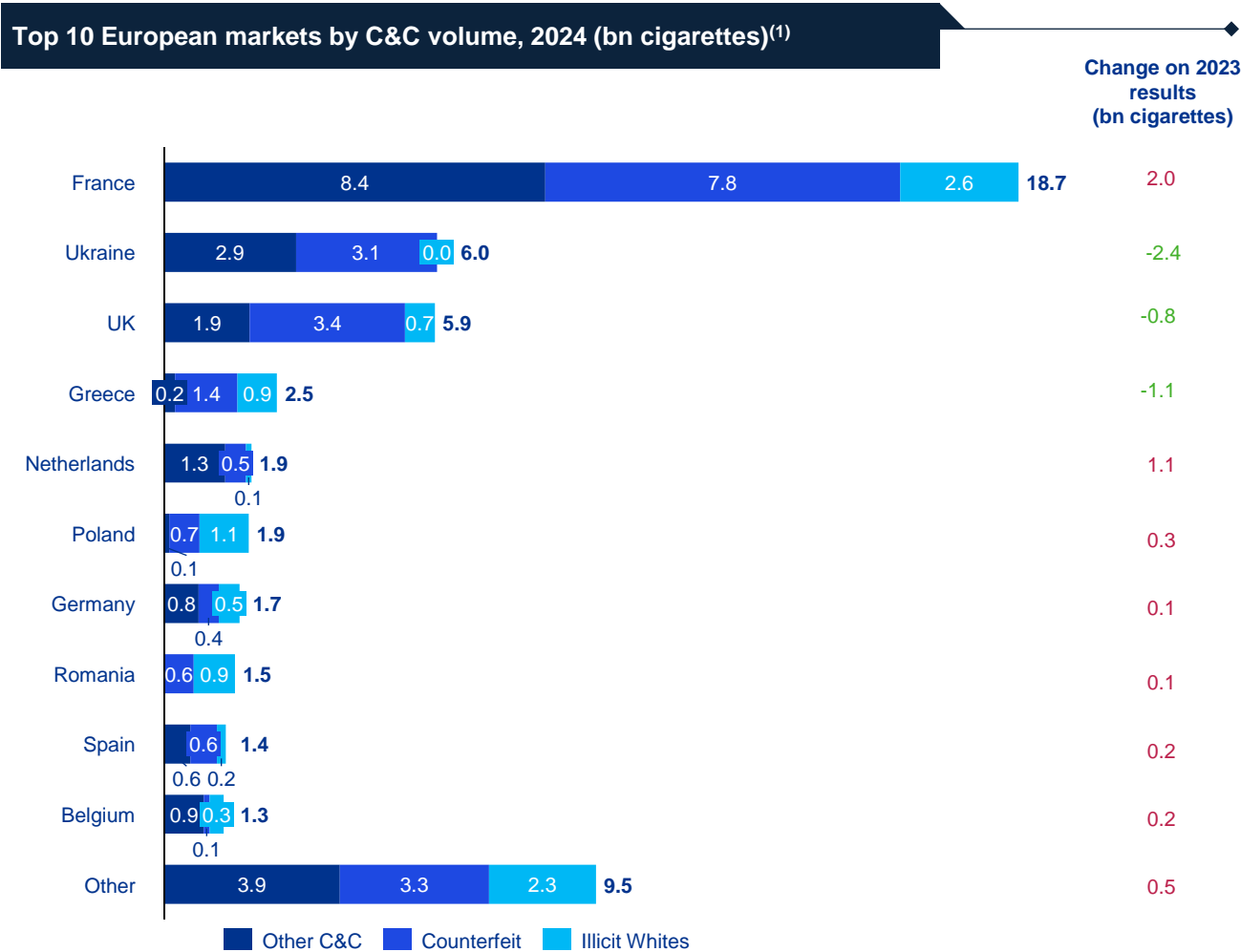
(a) Due to rounding, the difference between totals shown in the chart or commentary may vary from the actuals

Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

C&C key markets

- Overall growth in illicit consumption has been due to growth across a wide number of markets. However, the large declines seen in three of the top four illicit consumption markets of Ukraine, UK and Greece has tempered overall growth at the European level
- Ukraine saw the largest decline in illicit consumption, with C&C volumes decreasing by 2.4bn or 29% in 2024 (vs a 1.1bn or 14% increase in 2023); driven by a 43% (2.2bn) reduction in Other C&C and an 8% (0.3bn) reduction in Counterfeit
- The UK's C&C volumes decreased by 0.8bn in 2024; driven by a 14% (0.6bn) decrease in Counterfeit, and a 9% (0.2bn) decrease in Other C&C
- Greece's C&C volumes decreased by 1.1bn in 2024; driven by a 0.8bn cigarette decrease in Counterfeit, a 0.1bn decrease in Illicit Whites, and a 0.1bn decrease in Other C&C
- Increased illicit cigarette consumption in 2024 was primarily driven by France and the Netherlands
- France continues to remain the largest market for illicit cigarettes across the 38 markets in the study and saw the largest increase in illicit consumption in 2024 at 2.0bn cigarettes, driven by a 1.5bn cigarette increase in Counterfeit, and a 1bn increase in Illicit Whites, partly offset by a 0.5bn decrease in Other C&C
- Netherlands C&C volumes increased by 1.1bn in 2024, driven by a 0.8bn cigarette increase in Other C&C, and a 0.3bn increase in Counterfeit



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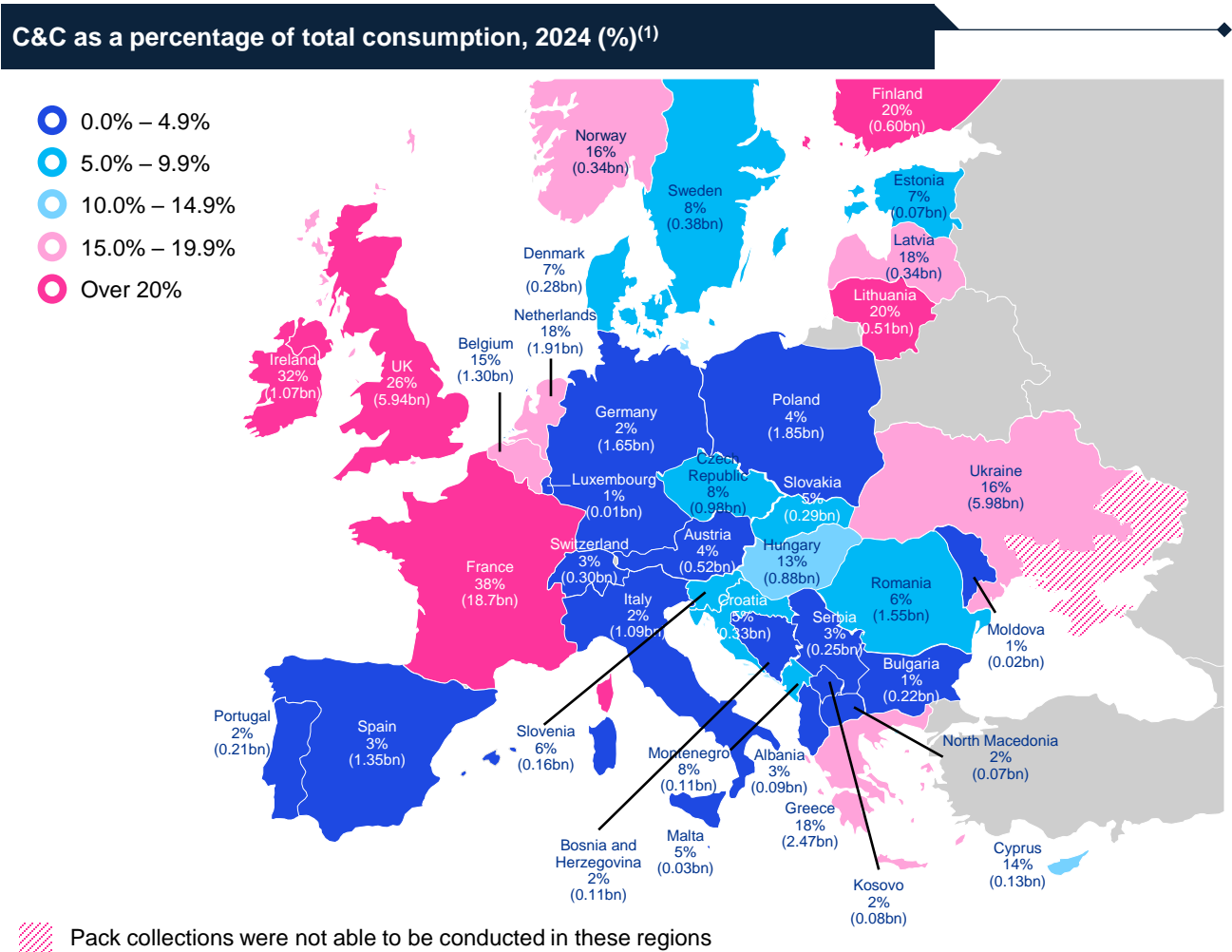
(a) Due to rounding, the difference between 2023 and 2024 totals shown in the chart or commentary may vary from the actuals

Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

C&C consumption trend

- 25 of the 38 European markets had illicit consumption shares of total consumption of less than 10%
- The highest illicit consumption shares were in France, Ireland, the UK, Lithuania and Finland
- Moldova, Bulgaria, Luxembourg, Italy, Germany, Bosnia & Herzegovina, North Macedonia, Kosovo and Portugal had the lowest shares

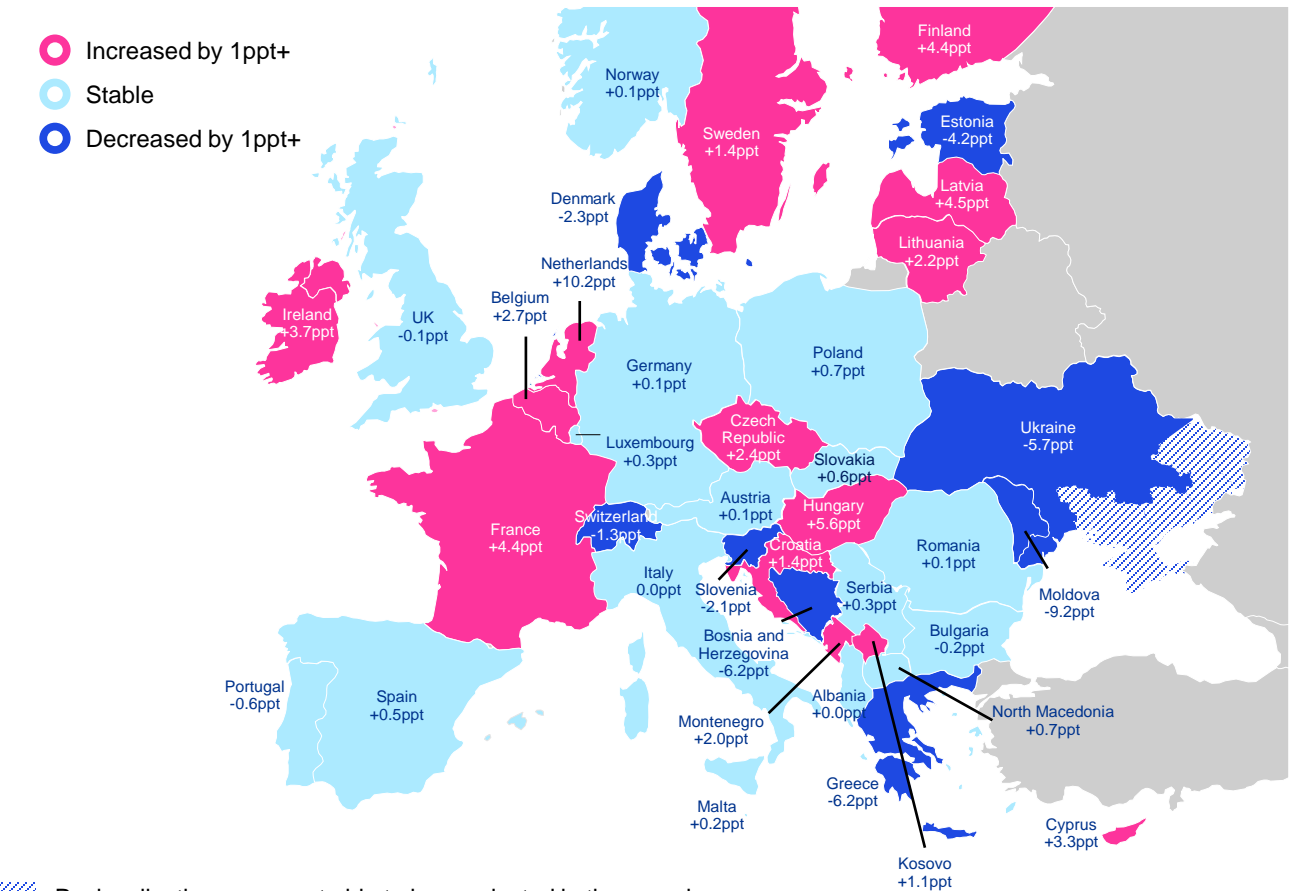


Source: (1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

C&C consumption trend (cont.)

- Whilst a number of markets experienced a broadly stable C&C share in 2024 compared to the prior year, there were several markets with large changes (both up and down) which have driven the overall change of C&C at the European level
- Netherlands, Hungary, Latvia, Finland and France had the largest increase in the share of C&C in 2024, with C&C share increasing by 10.2ppt in the Netherlands, 5.6ppt in Hungary, 4.5ppt in Latvia, 4.4ppt in Finland and 4.4ppt in France vs 2023
- Moldova, Bosnia & Herzegovina, Greece and Ukraine had the largest decrease in share of C&C, with C&C share decreasing by 9.2ppt in Moldova, 6.2ppt in Bosnia & Herzegovina, 6.2ppt in Greece and 5.7ppt in Ukraine vs 2023

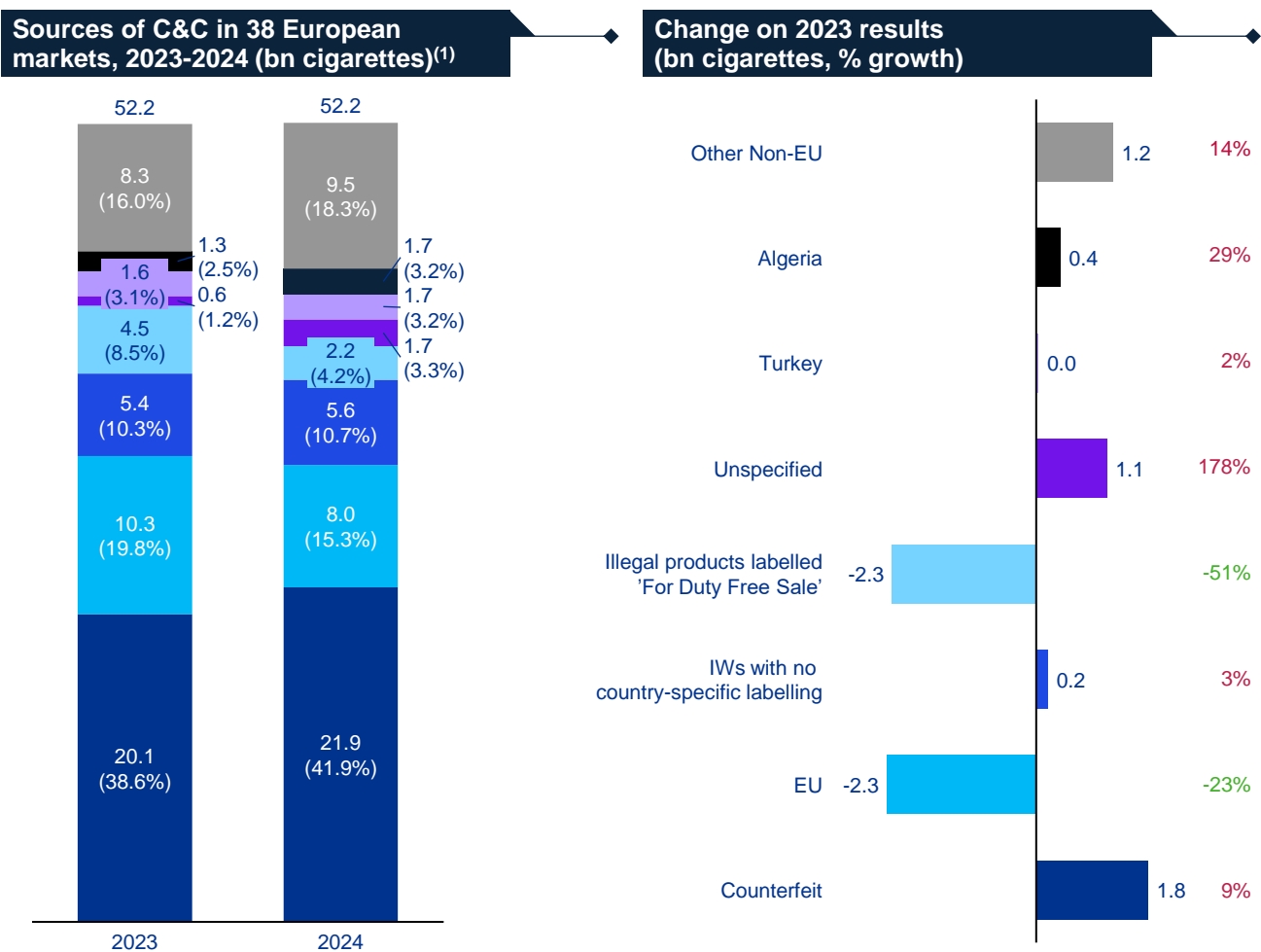
Change in share of C&C consumption vs prior year, 2024 (ppt)⁽¹⁾



Source: (1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

C&C sources

- A small 0.08bn cigarette increase in overall C&C consumption masks several large movements at a source market level
- Counterfeit consumption increased by 1.8bn in 2024, accounting for 41.9% of all illicit cigarette consumption (vs 38.6% in 2023)
- Illicit cigarettes that can be identified as flowing from one EU27 country to another decreased by 2.3bn, and accounted for 15.3% of illicit consumption (vs 19.8% in 2023)
- Illicit Whites with no country-specific labelling increased by 0.2bn in 2024 accounting for 10.7% of illicit cigarette consumption (vs 10.3% in 2023)
- Illicit cigarettes illegally labelled for 'For Duty Free Sale' decreased by 2.3bn in 2024 accounting for 4.2% of illicit cigarette consumption (vs 8.5% in 2023)^(b)
- Illicit inflows where the source market was not able to be identified ('Unspecified'), increased by 1.1bn cigarettes
- C&C Inflows from Algeria increased by 0.4bn in 2024
- Illicit cigarettes from Other Non-EU27 markets increased by 1.2bn cigarettes (vs a 1bn decrease in 2023)



Notes:

(a) Due to rounding, the difference between 2023 and 2024 totals shown in the chart or commentary may vary from the actuals (b) Cigarettes illegally labelled for 'For Duty Free Sale' are only identified in the Ukraine empty pack surveys

Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report;

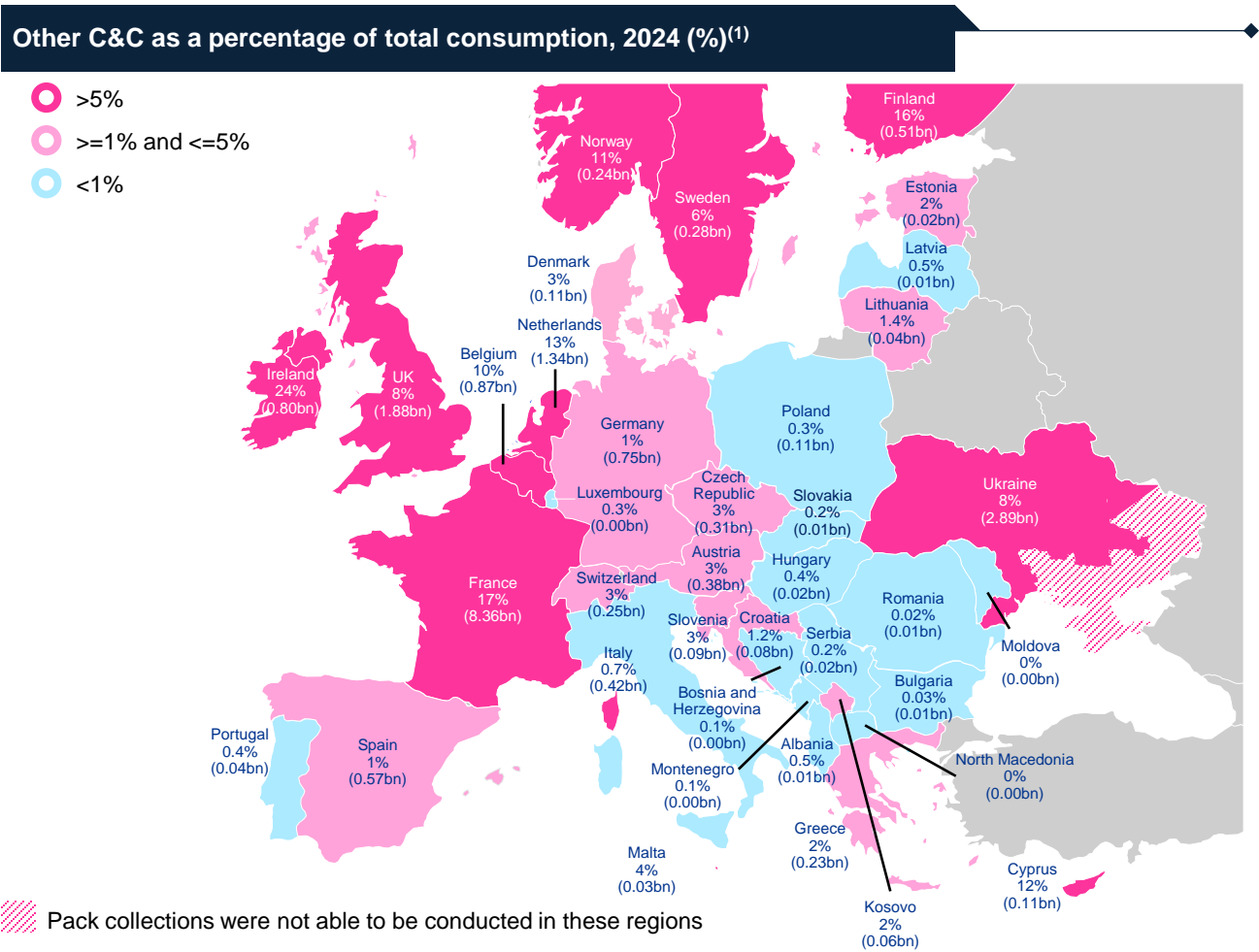
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16

Focus on Other C&C

- Other C&C volumes decreased by 2.3bn to 20.9bn cigarettes in 2024, or 4.0% of total cigarette consumption in the 38 markets in this study (4.4% in 2023)
- At a market level, the highest Other C&C shares were observed in Ireland, France and Finland
- France is the largest consumer of Other C&C in the study, accounting for 40% of all Other C&C consumed in the 38 markets
- The lowest Other C&C shares were observed in some Eastern European markets, Luxembourg, Portugal and Italy

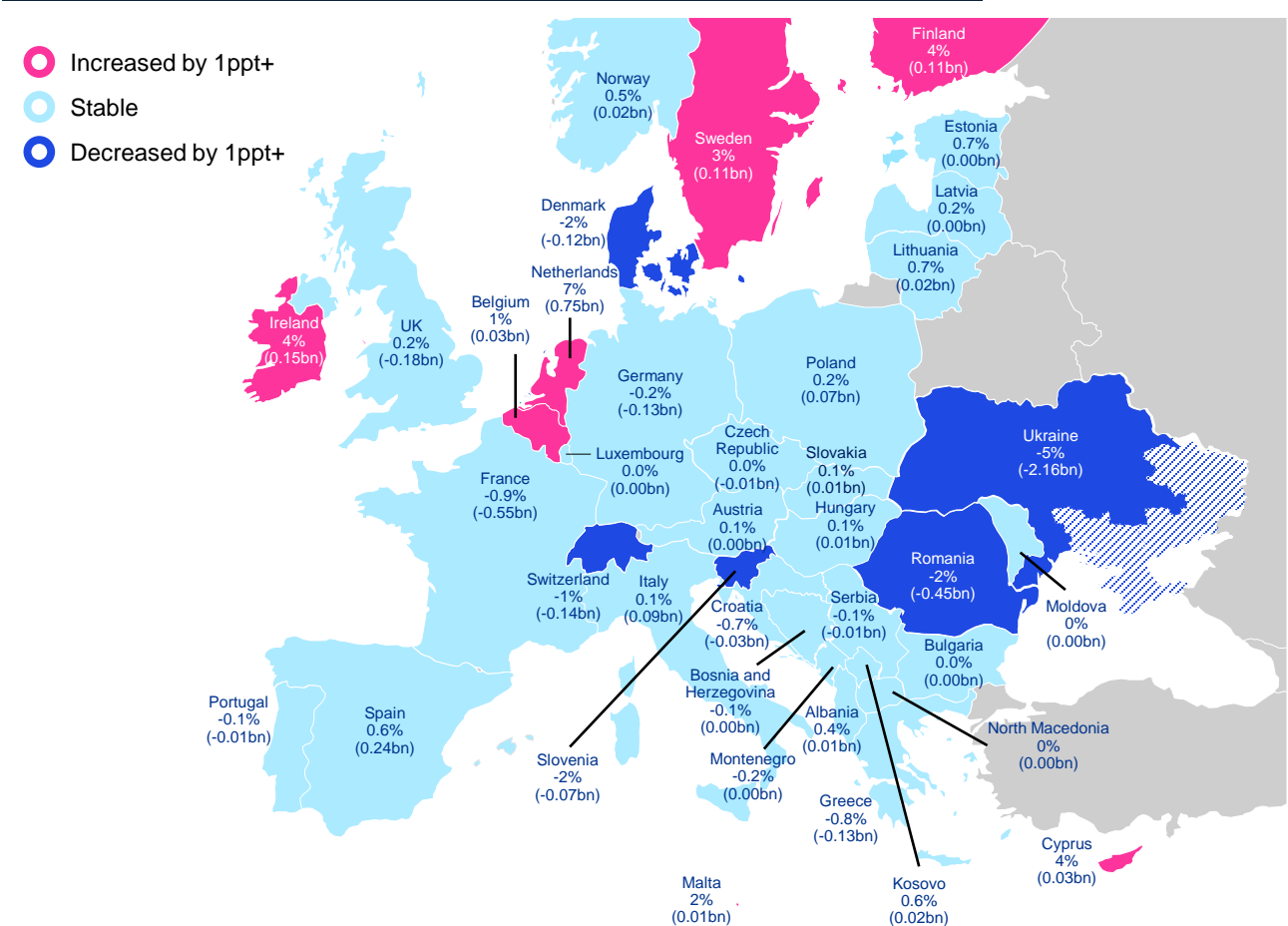


Source: (1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

Focus on Other C&C (cont.)

- The largest increases in share of Other C&C in 2024 were observed in the Netherlands, Ireland, Finland and Cyprus
- In volume terms the largest increase was seen in the Netherlands
- The largest decline was observed in Ukraine, both in share and volume terms

Change in share of Other C&C consumption vs prior year, 2024 (ppt and absolute)



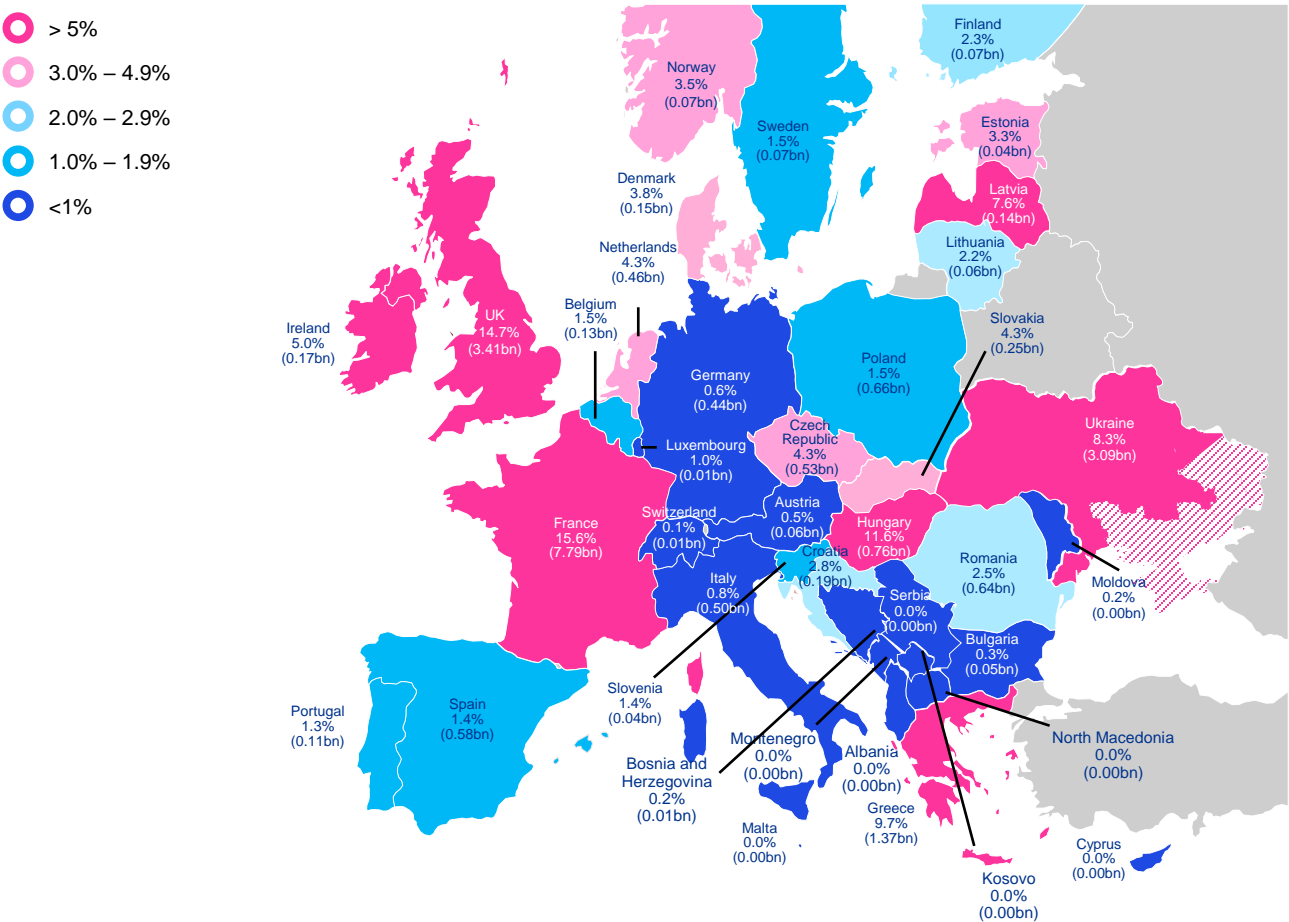
/// Pack collections were not able to be conducted in these regions

Source: (1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

Focus on Counterfeit: Share of consumption

- Counterfeit volumes continued to increase in 2024 (+1.8bn cigarettes) and now represents 4.2% of total cigarette consumption in the 38 markets in the study; up from 3.8% in 2023
- In volume terms, Counterfeit consumption was highest in France, UK, Greece and Ukraine
- Interviews with law enforcement⁽²⁾ indicate that significant volumes of the Counterfeit detected in this study could be manufactured in illegal factories within the 38 markets in this study. Indeed, these interviews highlighted a growing tendency for manufacturing to move closer to end consumption markets
- Furthermore, as only participating manufacturers^(a) forensically examine the packs collected in the empty pack survey to identify Counterfeit, actual Counterfeit volumes in the 38 markets in this study may be even higher than shown in this Report

Counterfeit as a percentage of total consumption, 2024 (%)^{(1)(b)}



Pack collections were not able to be conducted in these regions

Note:

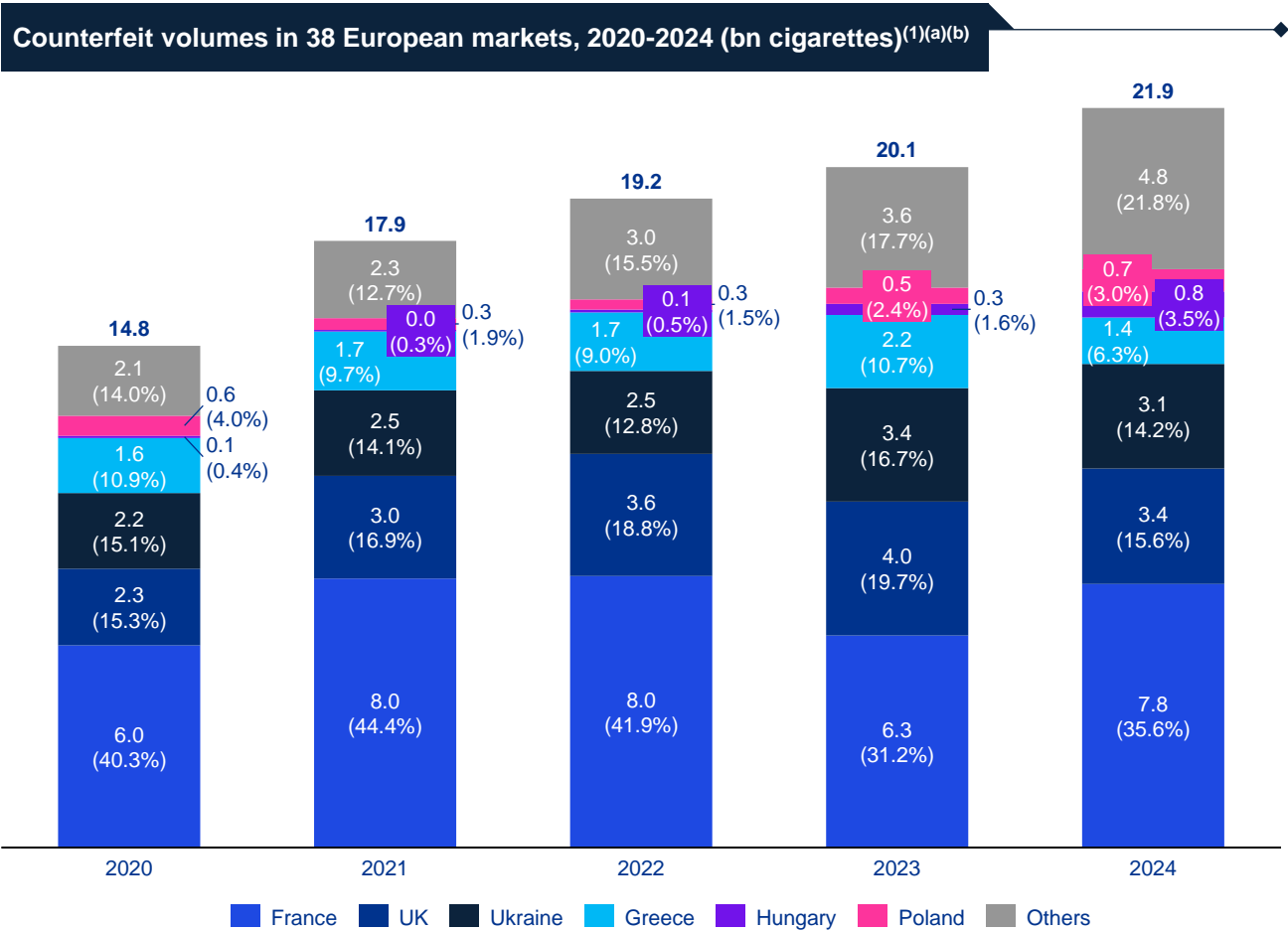
(a) PMI, JTI, BAT and IB. Refer to methodology section for further details (b) Due to rounding, the difference between colour and label may vary

Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report; (2) Law enforcement interviews, refer to page 10 for further details

Focus on Counterfeit: Key markets

- In 2024 Counterfeit consumption growth across the 38 markets in the study was driven by growth in France (+1.5bn vs 2023), Hungary (+0.4bn), Poland (+0.2bn) and ‘Other’ smaller markets (+1.2bn)
- Large markets that have historically seen growth in Counterfeit consumption saw a decline in 2024. UK (-0.6bn vs 2023), Ukraine (-0.3bn) and Greece (-0.8bn) all experienced a decline in Counterfeit consumption in 2024



Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

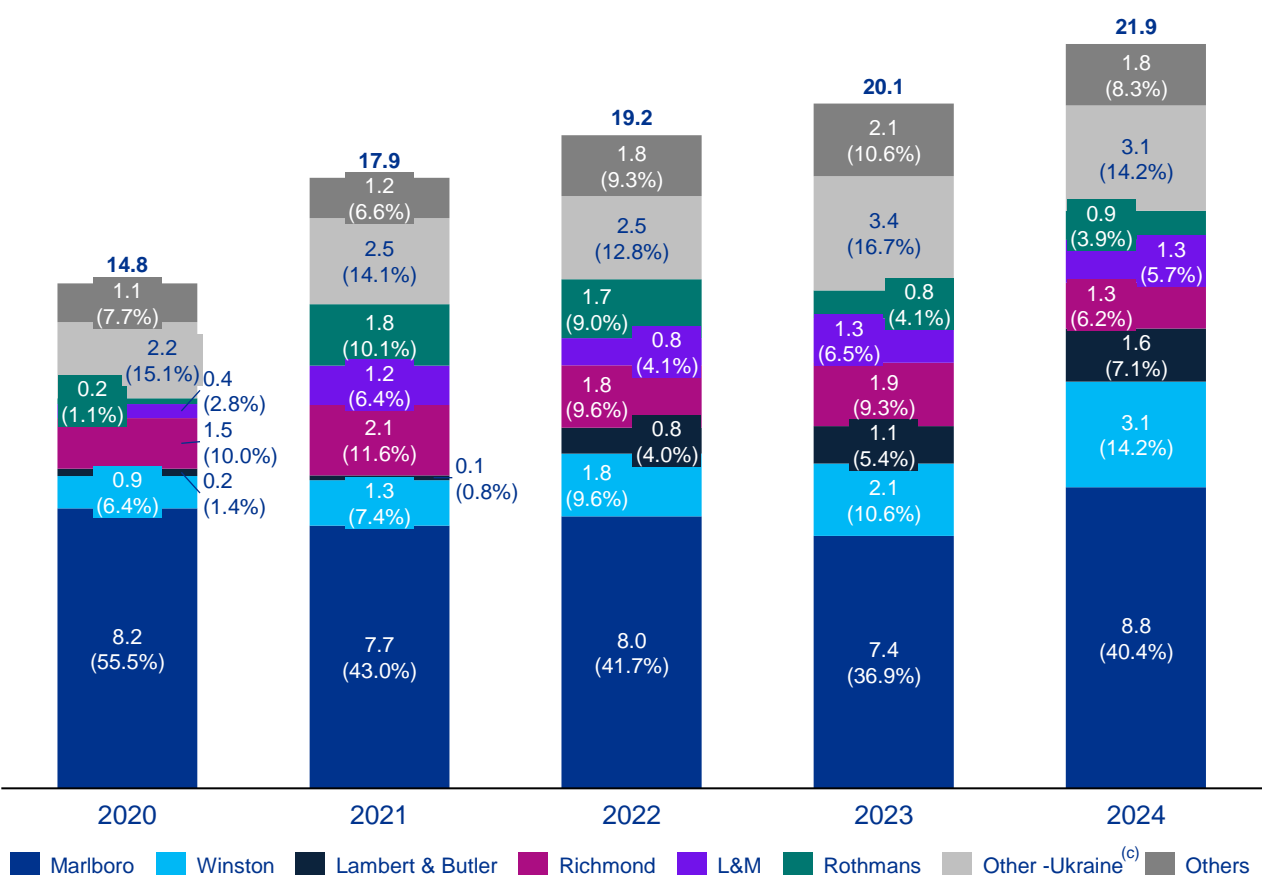
Note:

(a) Counterfeit can only be identified by manufacturers forensically examining their brands collected via empty pack surveys. As only BAT, IB, JTI and PMI participate in the empty pack surveys used in this Report, Counterfeit can only be identified from these manufacturers (b) Due to rounding, the difference between 2023 and 2024 totals shown in the chart or commentary may vary from the actuals

Focus on Counterfeit: Key brands

- The top four most counterfeited brands; Marlboro, Winston, Lambert & Butler and Richmond accounted for over two thirds (68%)^(c) of all Counterfeit consumption across the 38 markets in 2024
- After a decline in 2023, counterfeited Marlboro saw growth in 2024, now representing 40.4% of all Counterfeit. Counterfeited Winston (+1bn) and Lambert & Butler (+0.5bn) also grew in 2024 and represent a larger share of overall Counterfeit consumption (21% in 2024 vs 16% in 2023)
- The only major brand to decline was Richmond, which saw Counterfeit volumes decline by 0.6bn cigarettes in 2024

Counterfeit brands in 38 European markets, 2020-2024 (bn cigarettes)^{(1)(a)(b)(c)}



Note:

a) Counterfeit can only be identified by manufacturers forensically examining their brands collected via empty pack surveys. As only BAT, IB, JTI and PMI participate in the empty pack surveys used in this Report, Counterfeit can only be identified from these manufacturers (b) Due to rounding, the difference between totals shown in the chart or commentary may vary from the actuals (c) Figures and charts exclude brand details for Counterfeit identified in Ukraine as this is not included in the empty pack survey data.

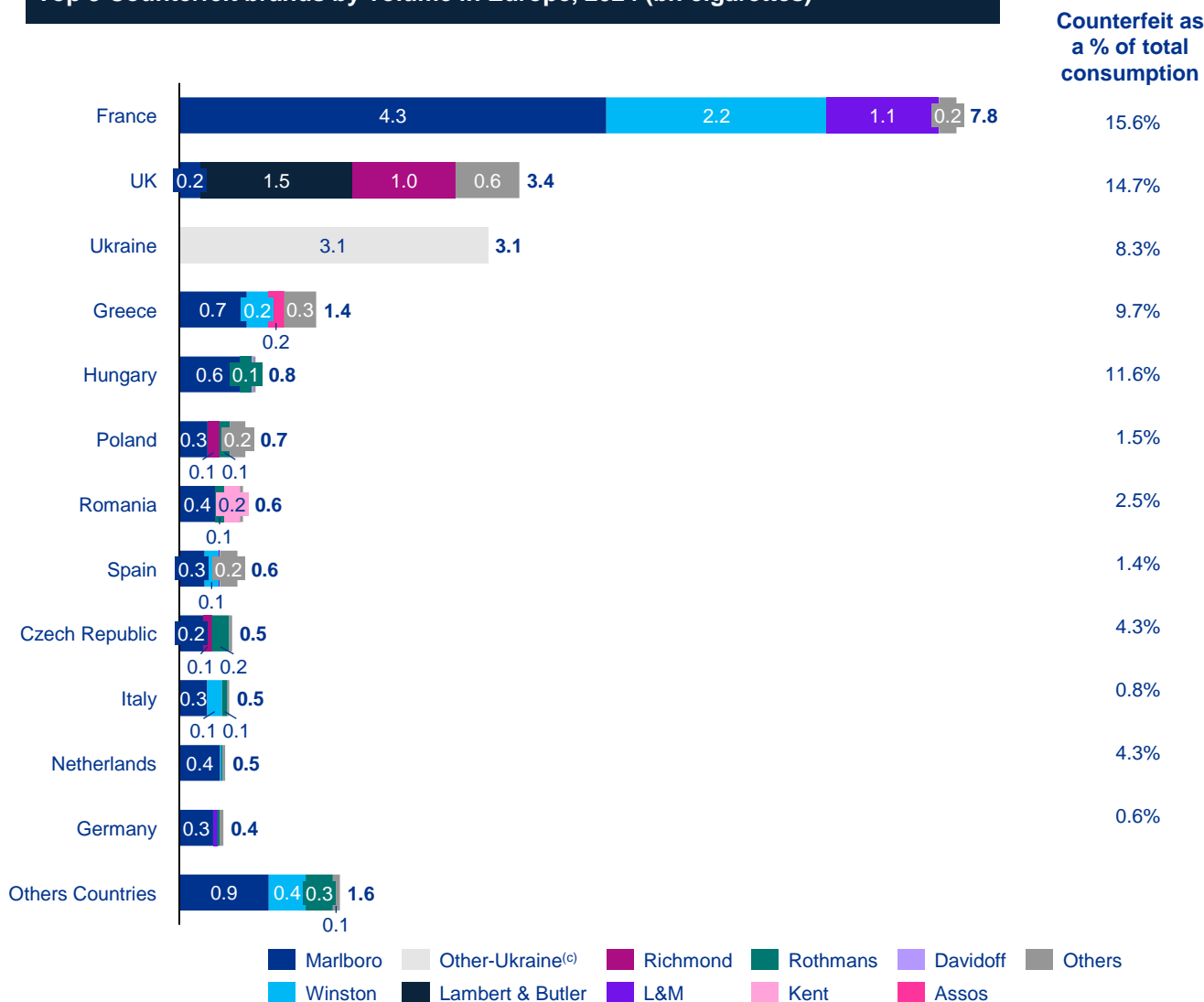
Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

Focus on Counterfeit: Key brands by market

- Whilst Marlboro was the most consumed Counterfeit brand, markets demonstrate differences in consumption when it comes to the second and third largest brands
- The UK remains the most distinct market with counterfeited Lambert & Butler being the most consumed Counterfeit brand, followed by counterfeited Richmond

Top 3 Counterfeit brands by volume in Europe, 2024 (bn cigarettes)^{(1)(a)(b)(c)}



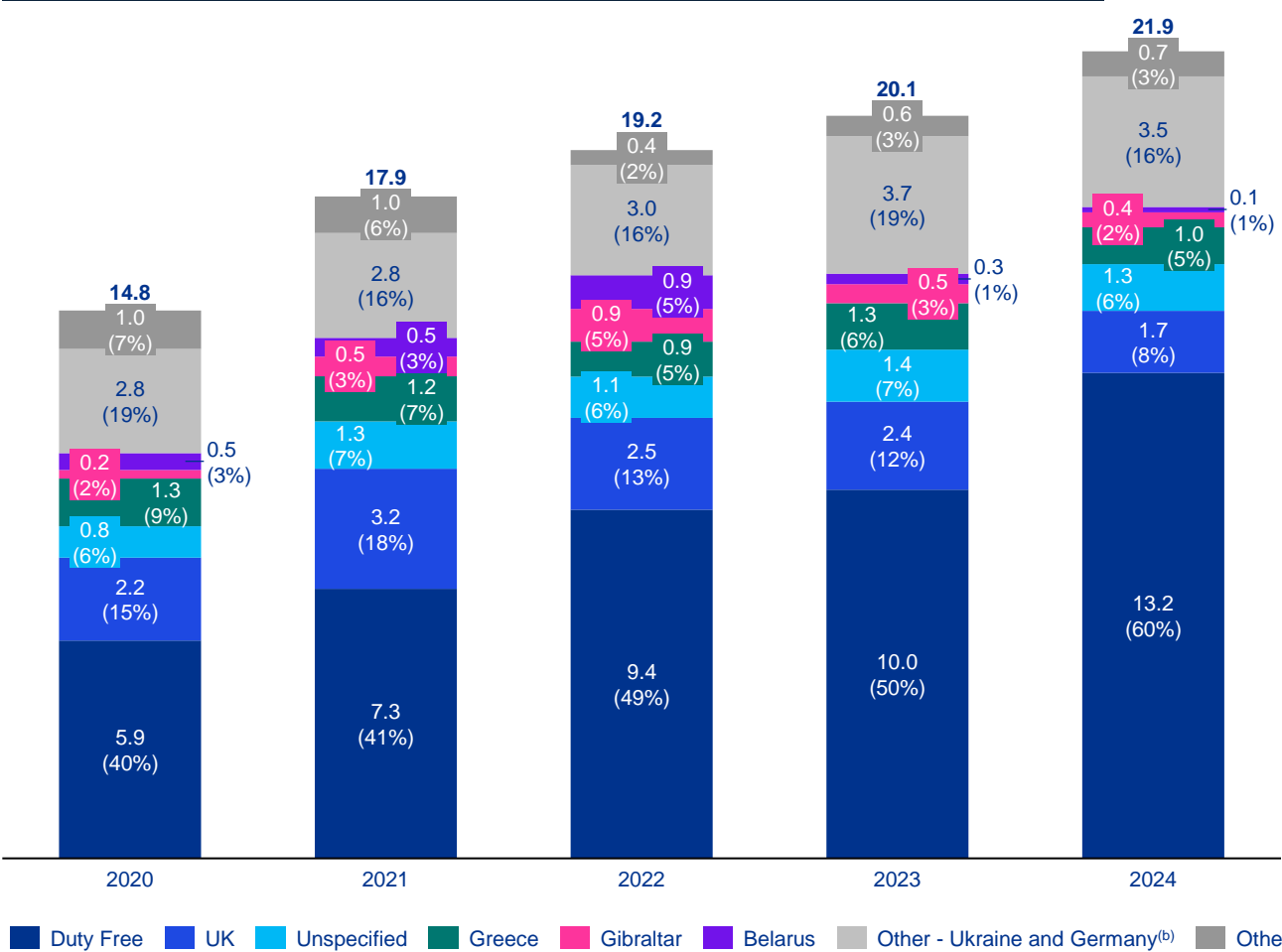
Note: (a) Counterfeit can only be identified by manufacturers forensically examining their brands collected via empty pack surveys. As only BAT, IB, JTI and PMI participate in the empty pack surveys used in this Report, Counterfeit can only be identified from these manufacturers (b) These markets represent the top 10 Counterfeit consumption markets by volume in 2023. Counterfeit volumes by brand for the remaining markets are grouped together in 'Other' (c) Counterfeit pack labelling was not available for Ukraine

Source: (1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

Focus on Counterfeit: Pack labelling

- Counterfeit packs identified bore the labelling of more than 52 different markets in 2024 (versus 49 in 2023)
- Counterfeit is increasingly bearing Duty Free labelling and saw a large increase in 2024 of 3.2bn cigarettes, and now represents 60% of Counterfeit packs
- Where Counterfeit packs bore market specific labelling, the largest volumes were identified to be intended for consumption in the UK, Greece, Gibraltar and Belarus

Counterfeit by pack labelling in 38 European markets, 2020-2024(bn cigarettes)^{(1)(a)(b)}



Note:

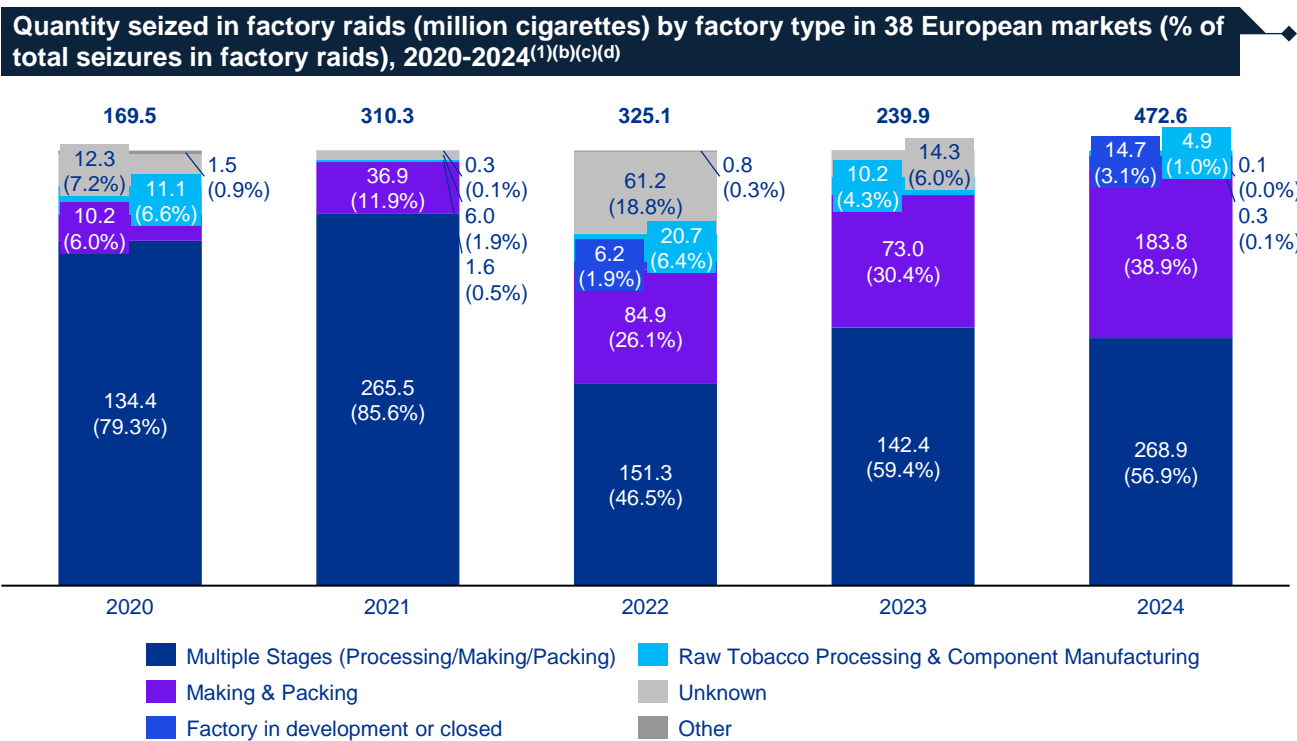
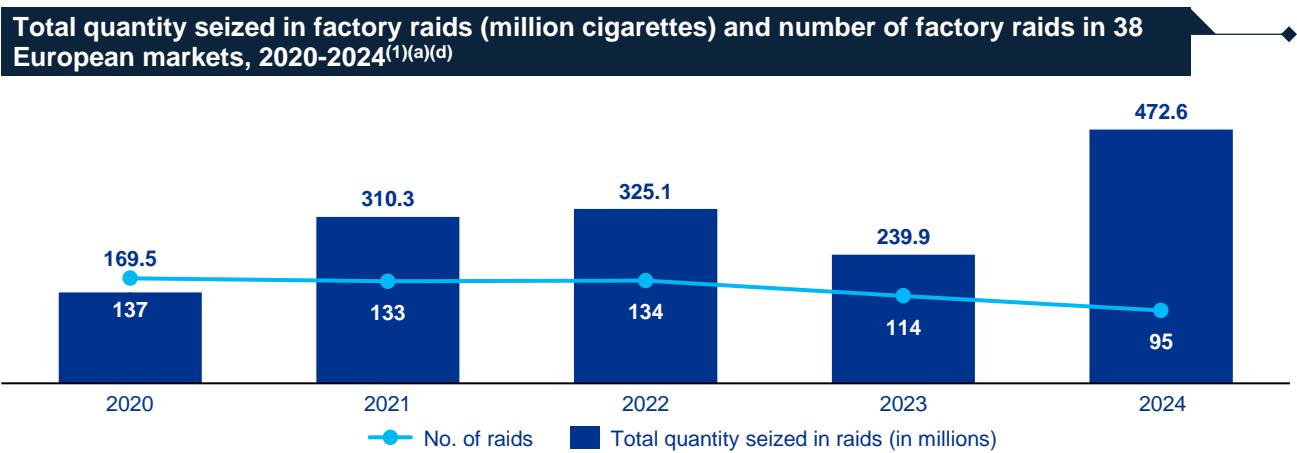
a) Counterfeit can only be identified by manufacturers forensically examining their brands collected via empty pack surveys. As only BAT, IB, JTI and PMI participate in the empty pack surveys used in this Report, Counterfeit can only be identified from these manufacturers (b) Figures and charts exclude labelling details for Counterfeit identified in Germany and Ukraine. Counterfeit pack labelling was not available for Ukraine in 2023-2024, and for Germany in 2020-2022, therefore, to allow like for like comparison, Counterfeit volumes identified in these markets have been included in 'Other - Ukraine and Germany' across all years

Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

Focus on Counterfeit: Factory raids

- In 2024, the quantity of cigarettes seized in factory raids nearly doubled from 239.9m in 2023 to 472.6m in 2024
- This increase occurred despite an overall decline in the total number of raids conducted
- While quantities seized from factories undertaking Multiple Production stages experienced growth, there was also notable expansion in the quantities seized from Making & Packing factories
- Trends observed over the last five years indicate the value chain mix has stabilised post-COVID, with quantities seized from raids reflecting a highly centralised manufacturing process during the pandemic



Note:

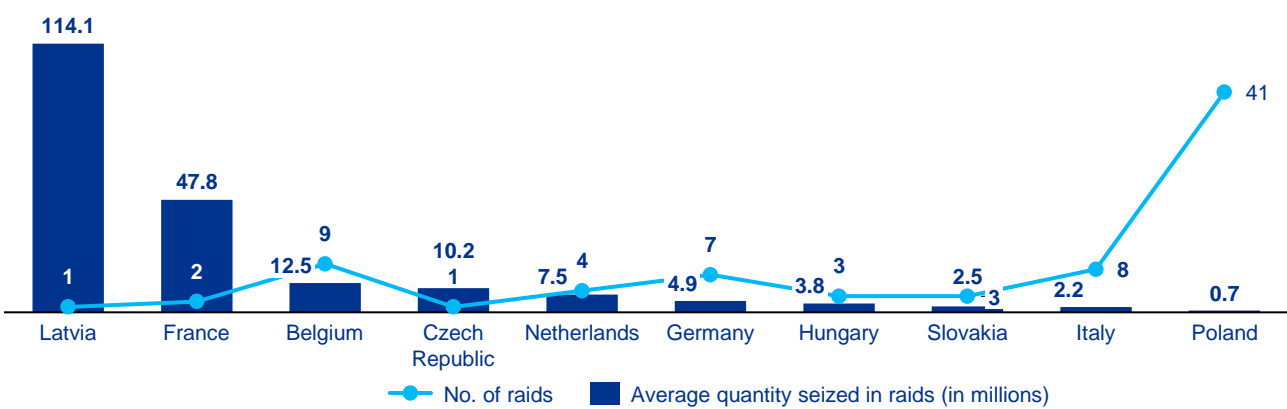
(a) Number of raids and quantities seized relate to factory raids only, i.e. exclude goods in transit, border crossing seizures etc. (b) Categorisation of the type of raids for the European factory raids data is based on KPMG analysis (c) 'Others' includes storage facilities, Shisha / hookah / water pipe tobacco production, cigarette packaging facilities, Raw Tobacco Processing & Component Manufacturing, and e-cigarettes or e-liquids production (d) As intelligence continues to be released, changes to numbers published historically can occur to update for emerging information

Source:

(1) European Factory Raids data 2020-2024 provided by PMI;

Focus on Counterfeit: Factory raids (cont.)

Average quantity seized in factory raids (million cigarettes) and number of factory raids for top markets in Europe, 2024^{(1)(a)}



- In 2024, the average quantity of cigarettes seized per factory raid continued to differ widely by market
- Latvia and France saw the largest number of cigarettes seized across a limited number of large raids
- Poland continued to have the largest number of raids, with relatively lower volumes seized per raid compared to other major raid markets. In 2024 raids in Poland saw far greater focus on Multiple Stage manufacturing compared to 2023 where raids were more focused on raw tobacco processing and component manufacturing

Quantity seized in factory raids (million cigarettes) for top markets by factory type in Europe, 2024^{(1)(b)}

	High	Medium	Low	No quantity seized	Value in the grid represents Quantity seized for 2024	
	Multiple Stages (Processing/ Making/ Packing)	Making & Packing	Factory in development or closed	Raw Tobacco Processing & Component Manufacturing	Others	
Latvia	114.1					
Belgium	57.4	40.2	14.7			
France		95.6				
Germany	30.6	3.6			0.02	
Netherlands		30.0				
Poland	18.9	10.3		0.06	0.3	
Italy	13.1			4.8		
Hungary	11.1	0.30				
Czech Republic	10.2					
Slovakia	7.6				0.03	
Ukraine	5.2	1.0		0.03		
Other Countries	0.8	2.7				
Total	268.9	183.8	14.7	4.9	0.3	

Note: (a) Number of raids and quantities seized relate to factory raids only, i.e. exclude goods in transit, border crossing seizures etc.(b) Categorisation of the type of raids for the European factory raids data is based on KPMG analysis

Source: (1) European Factory Raids data 2020-2024 provided by PMI

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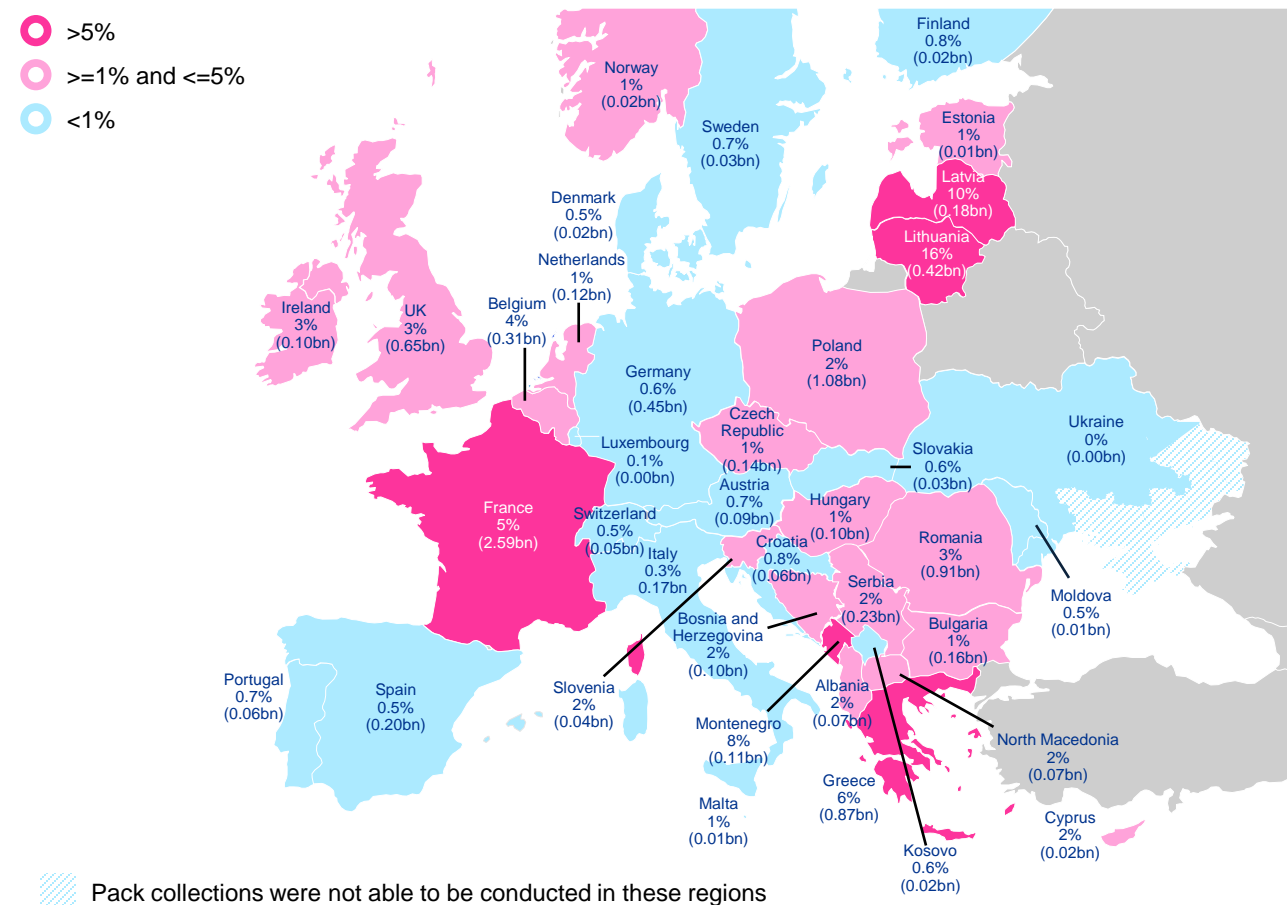
Document Classification: KPMG Public

25

Focus on Illicit Whites

- Lithuania and Latvia, located near the border of source market Belarus^(a), continued to have the highest Illicit Whites shares of total consumption
- The highest volume flows of Illicit Whites were measured in France, Greece, Poland, Romania and the UK, with these five markets accounting for more than half of the total Illicit Whites flows identified in the 38 markets in the study
- 15 of the 38 markets had Illicit White shares below 1% of total consumption

Illicit Whites as a percentage of total consumption, 2024, % (bn cigarettes)⁽¹⁾

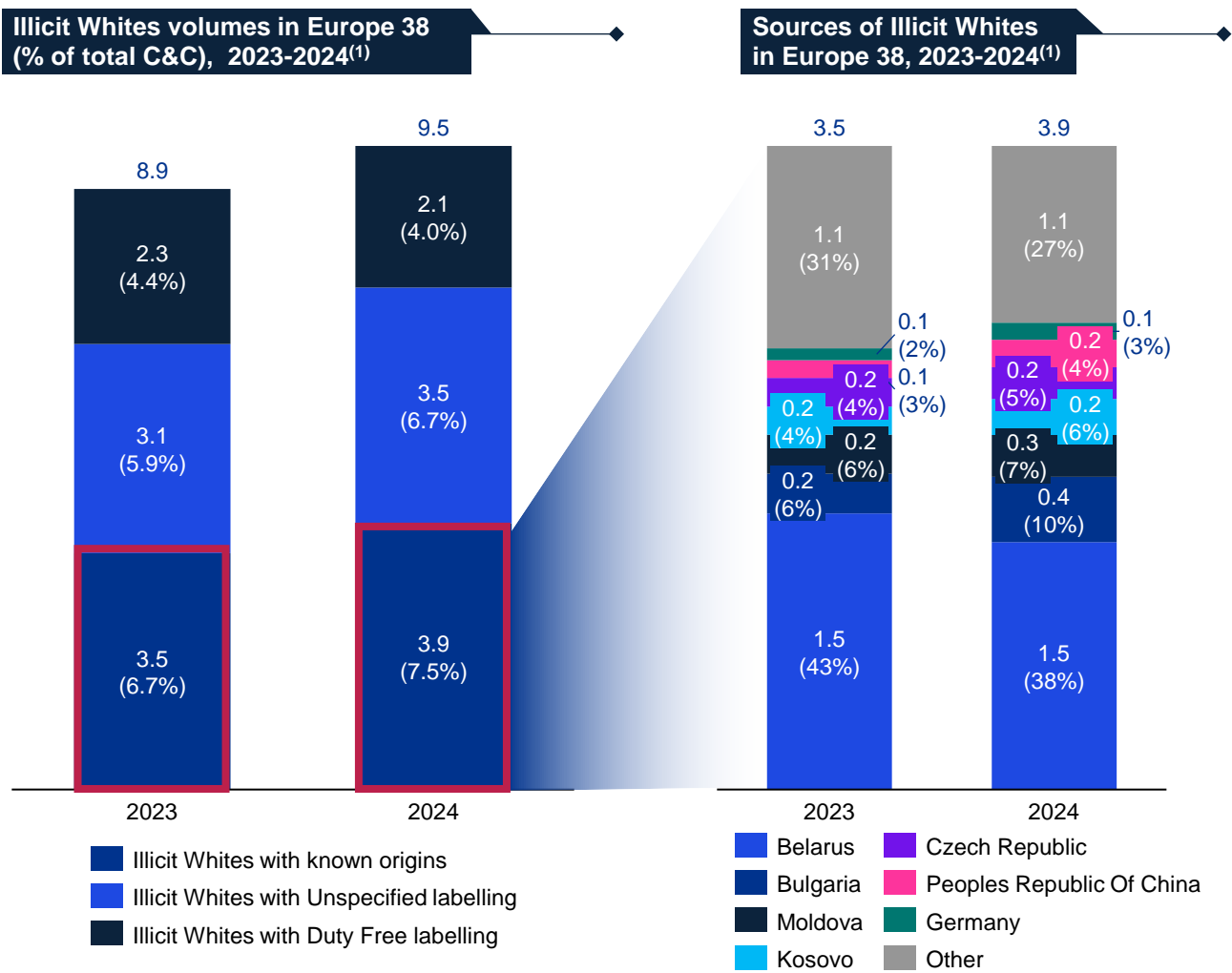


Note: (a) Refer to following page for more details on sources of Illicit Whites

Source: (1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

Focus on Illicit Whites (cont.)

- Illicit Whites volumes increased by 7.0% to 9.5bn cigarettes in 2024.
- Illicit Whites with known origins increased by 0.4bn to 3.9bn cigarettes in 2024. Within these Illicit Whites with known origins, Belarus remains the largest source, albeit with static volumes, with most of the growth due to flows from Bulgaria (+0.2bn)
- Illicit Whites with no country-specific labelling form the majority of Illicit Whites volumes. These Illicit Whites either have no health warnings meaning they are of ‘Unspecified’ origin or are labelled as Duty Free. This generic labelling makes identification of the source market difficult
- Illicit Whites with Unspecified labelling increased by 0.4bn cigarettes in 2024
- Illicit Whites with Duty Free labelling decreased by 0.2bn in 2024



Notes:

(a) Due to rounding, the difference between 2023 and 2024 totals shown in the chart or commentary may vary from the actuals

Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

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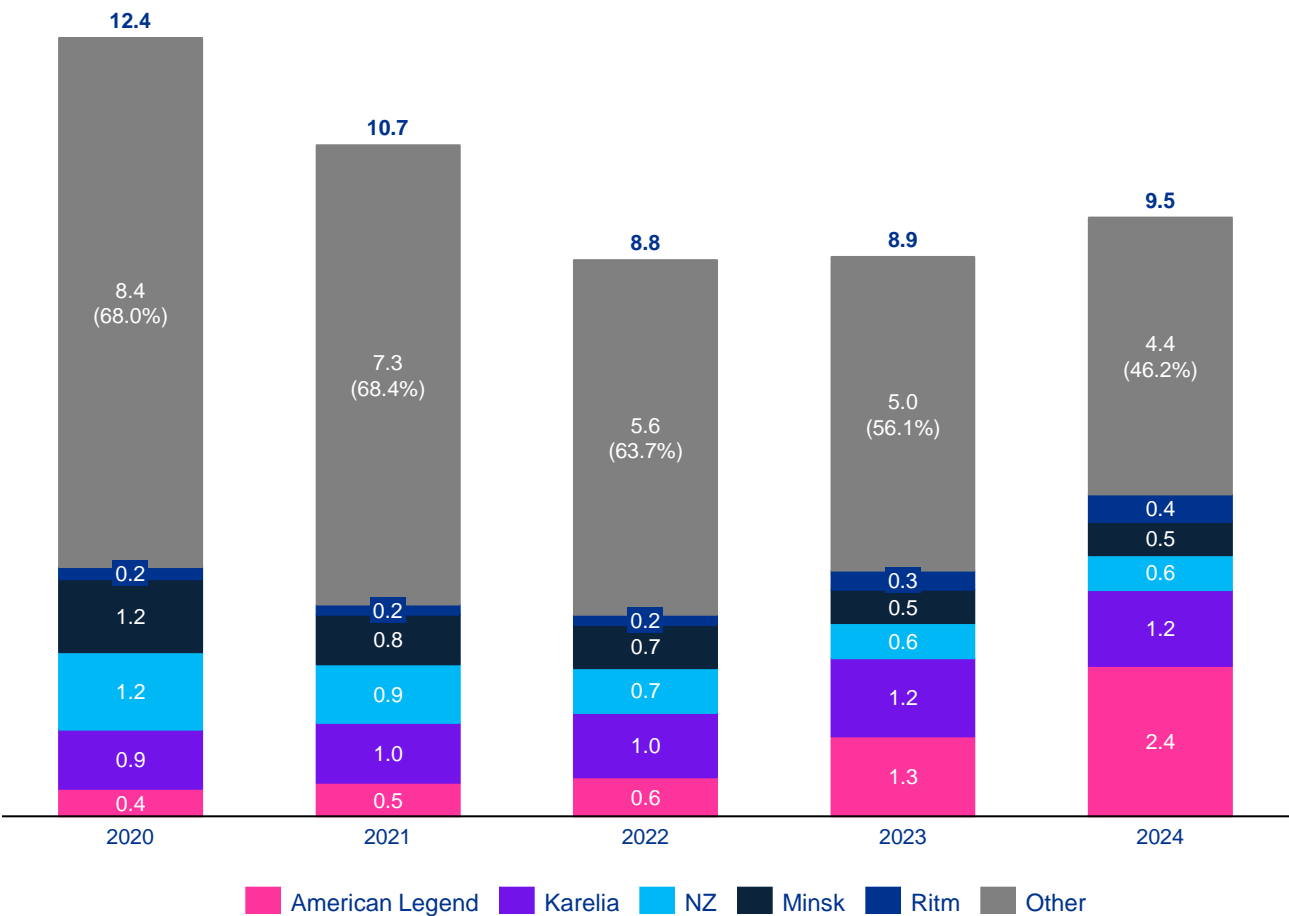
Document Classification: KPMG Public

27

Focus on Illicit Whites (cont.)

- Illicit Whites consumption grew by 0.6bn cigarettes in 2024. Flows of American Legend were the primary driver of Illicit Whites growth
- The top 5 Illicit Whites brands accounted for approximately 54% of Illicit Whites consumption across the 38 markets in 2024, an increase from 32% in 2020, demonstrating that in volume terms Illicit Whites consumption is consolidating at a brand level
- Since our analysis cannot identify whether Illicit Whites are Counterfeit or not, it is possible that we may be overstating the Illicit Whites issue and understating the Counterfeit issue, especially given the growth seen in Counterfeit

Illicit Whites by brand in Europe 38, 2020-2024 (bn cigarettes)⁽¹⁾



Note:

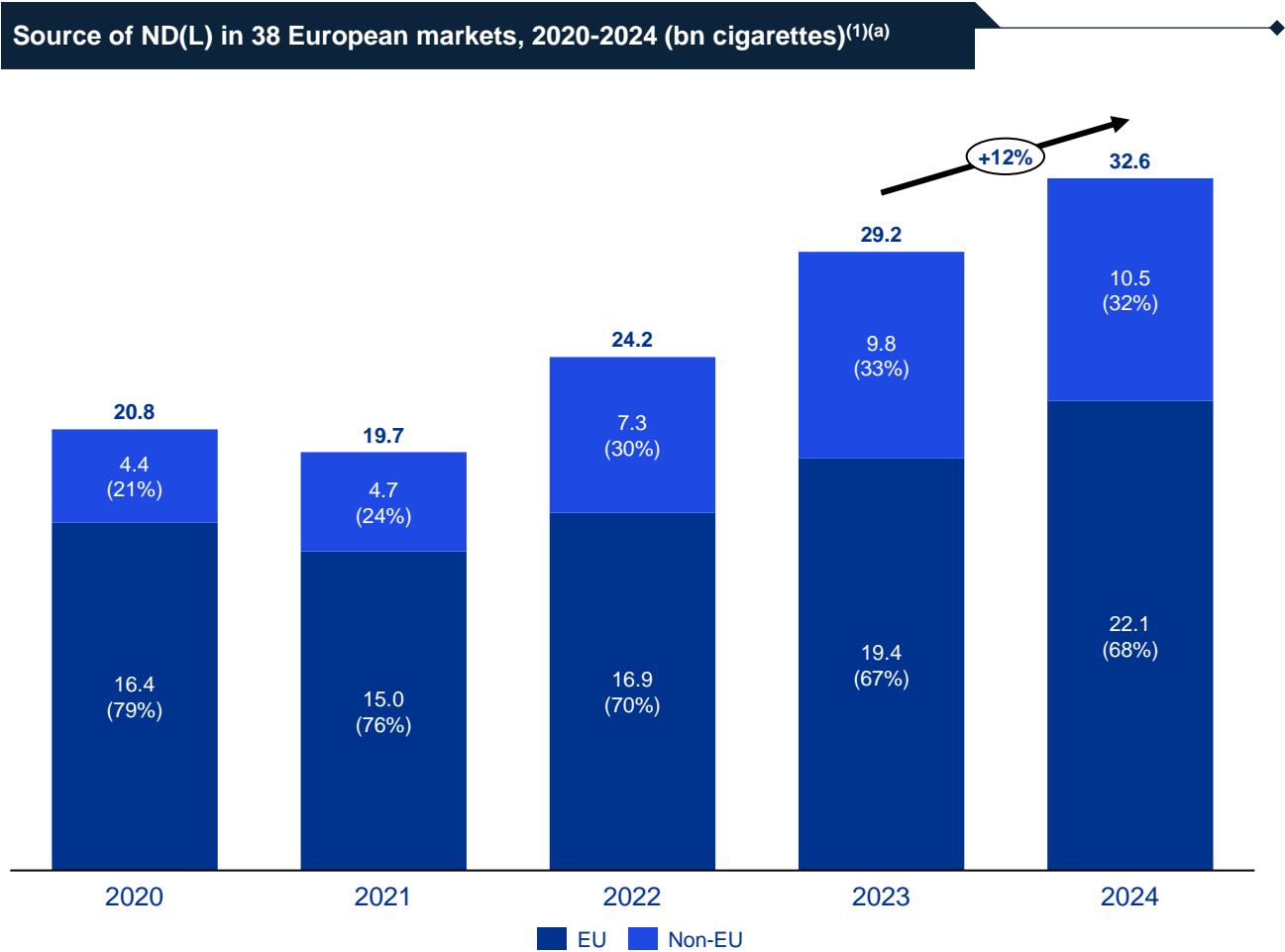
We cannot identify Counterfeit Illicit White volumes in this Report as the manufacturers do not participate in the empty pack surveys and therefore do not analyse if the packs collected are genuine

Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

Non-Domestic Legal trend (ND(L))

- Non-Domestic Legal (ND(L)) volumes continued to increase in 2024, continuing the trend seen in 2023 and reflecting the ongoing increase in travel and tourism volumes⁽²⁾⁽³⁾ following the relaxation of travel restrictions and border controls put in place in 2020, 2021 and part of 2022 due to COVID
- The share of ND(L) from EU and Non-EU sources remained largely static in 2024



Notes:

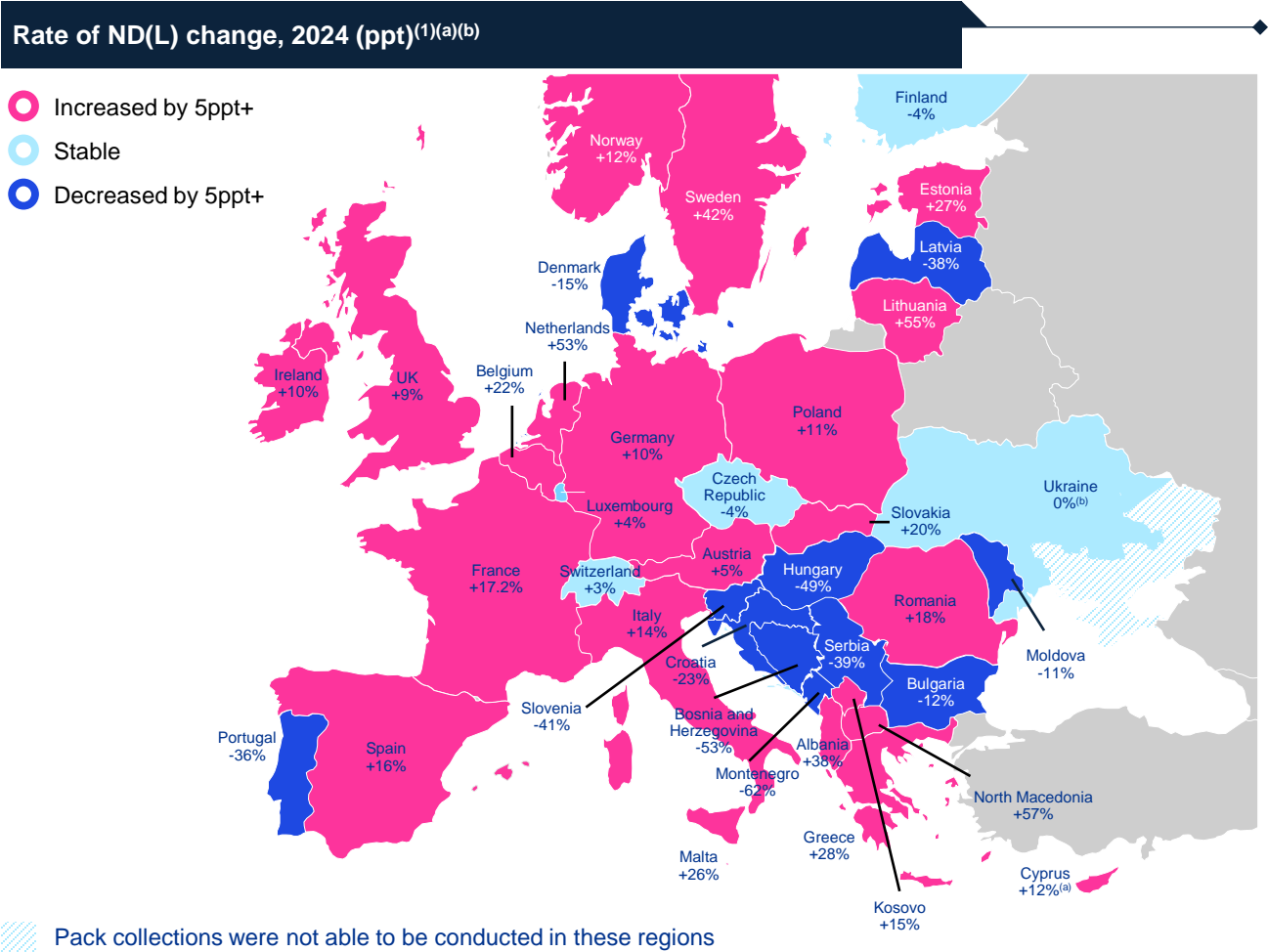
(a) Due to rounding, the difference between totals shown in the chart may vary from the actuals

Source:

(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report (2) UNWTO; (3) Euromonitor

Non-Domestic Legal trend (ND(L)) (cont.)

- 2024 saw a widespread increase in ND(L) across Europe with ND(L) increasing by more than 5% in 22 of the 38 markets
- In contrast, 11 out of 38 markets (i.e. Montenegro, Bosnia and Herzegovina, Hungary, Slovenia, Serbia, Latvia, Portugal, Croatia, Denmark, Bulgaria and Moldova) showed ND(L) declines of greater than 5ppt



Source:

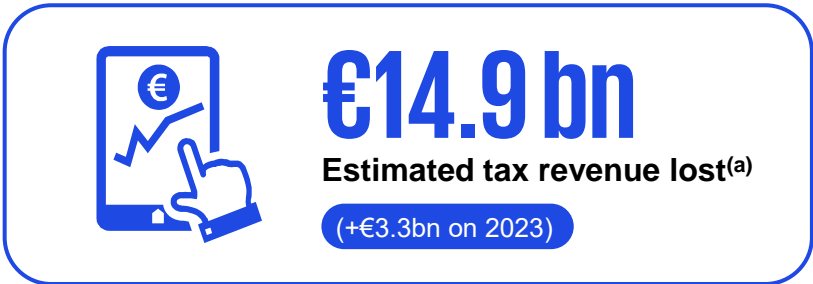
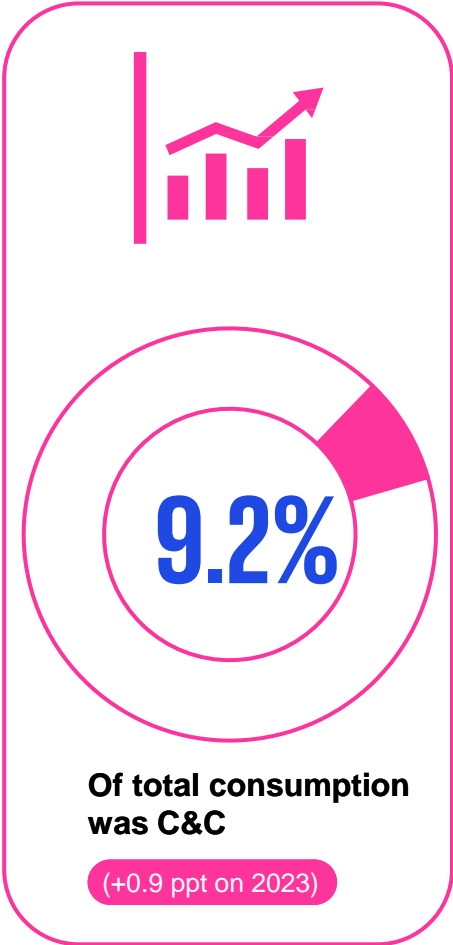
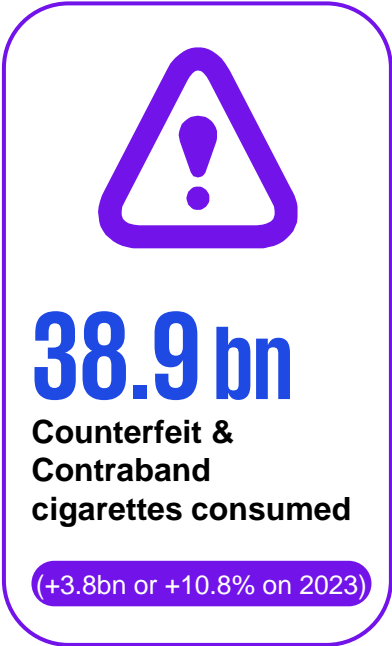
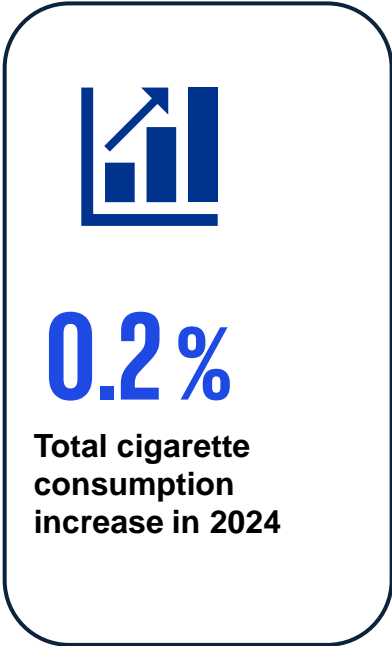
(1) 38 market level results are an aggregation of the European Flows Calculation results for the 38 markets, a detailed methodology and list of sources for each market is available in the methodology section of this Report

Note:

(a) Cyprus ND(L) and C&C flows for 2023 & 2024 are not comparable with historical figures. Refer to the Cyprus country pack for further details

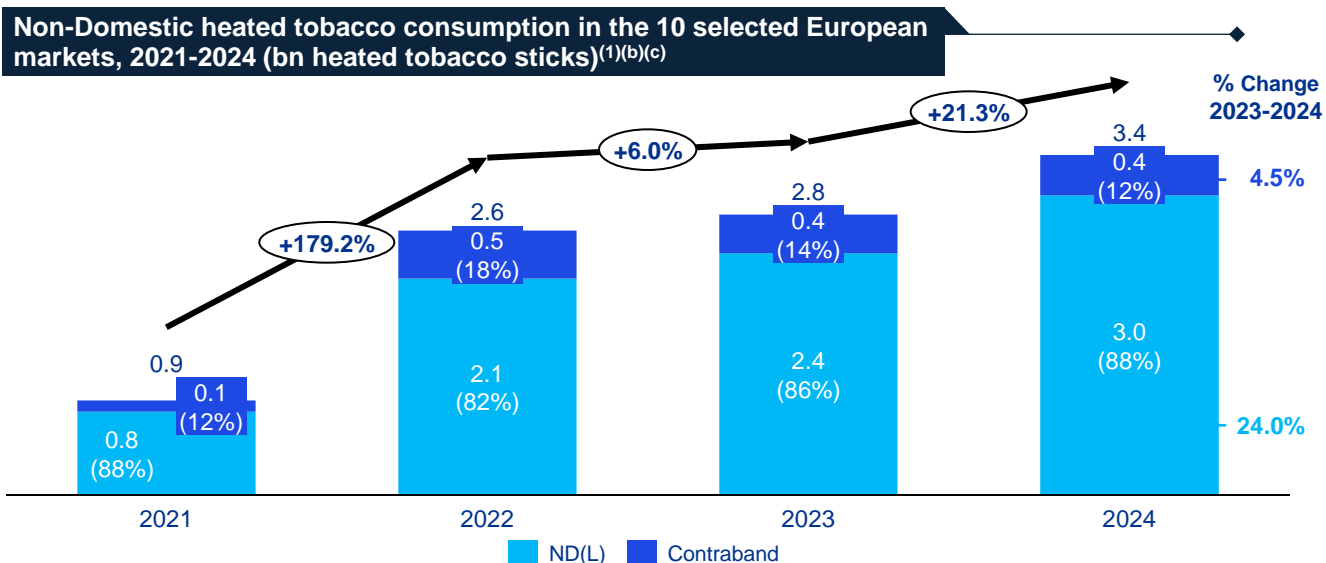
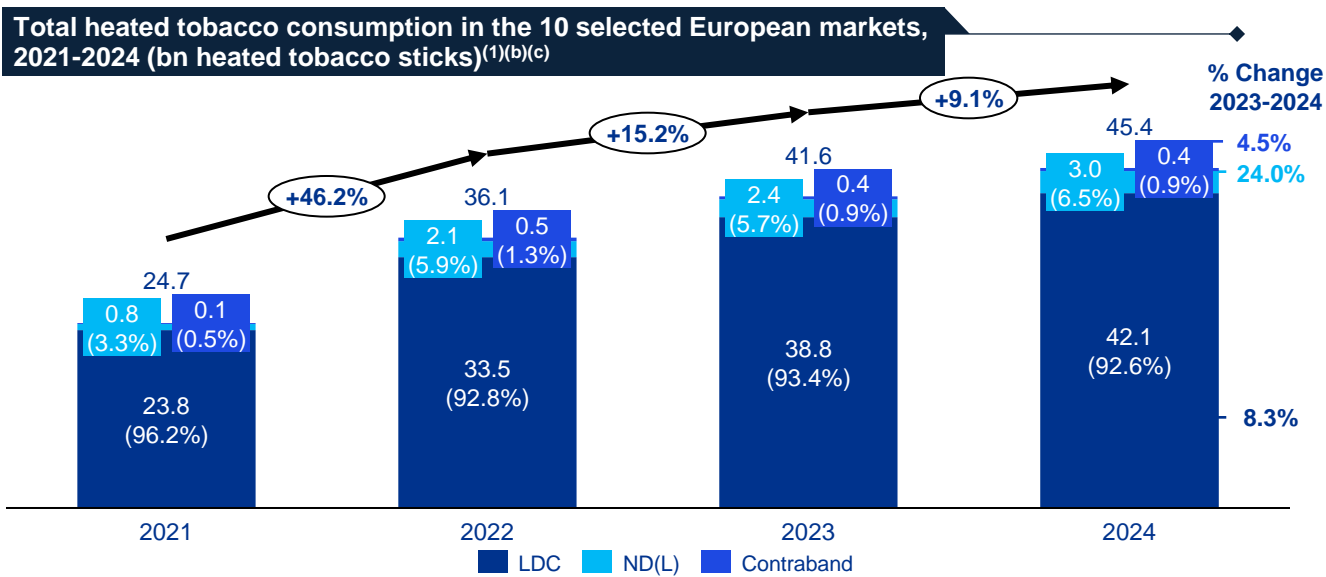
(b) Pack swap survey data for Ukraine does not contain information regarding the origin of packs collected. Therefore, inflows to Ukraine have not been broken down by origin and consequently ND(L) inflows cannot be estimated

EU27 key figures



Selected European markets heated tobacco consumption trend

- This analysis highlights consumption of heated tobacco in the Czech Republic, Germany, Greece, Hungary, Italy, Lithuania, Poland, Romania, Spain and the United Kingdom
- Total heated tobacco consumption increased by 9.1% in 2024, with growth continuing to be driven by Legal Domestic Consumption (LDC) which grew by 8.3%
- Non-Domestic consumption accounted for 7.4% of total heated tobacco consumption and grew by 21.3%
- This growth in Non-Domestic volumes was driven by legal flows (ND(L)), which increased by 24% and formed 6.5% of total consumption, as travel volumes and allowance limits increased
- Contraband consumption increased by 0.02bn to 0.4bn sticks in 2024, forming 0.9% of total consumption
- To date, no Counterfeit flows have been identified^(a)

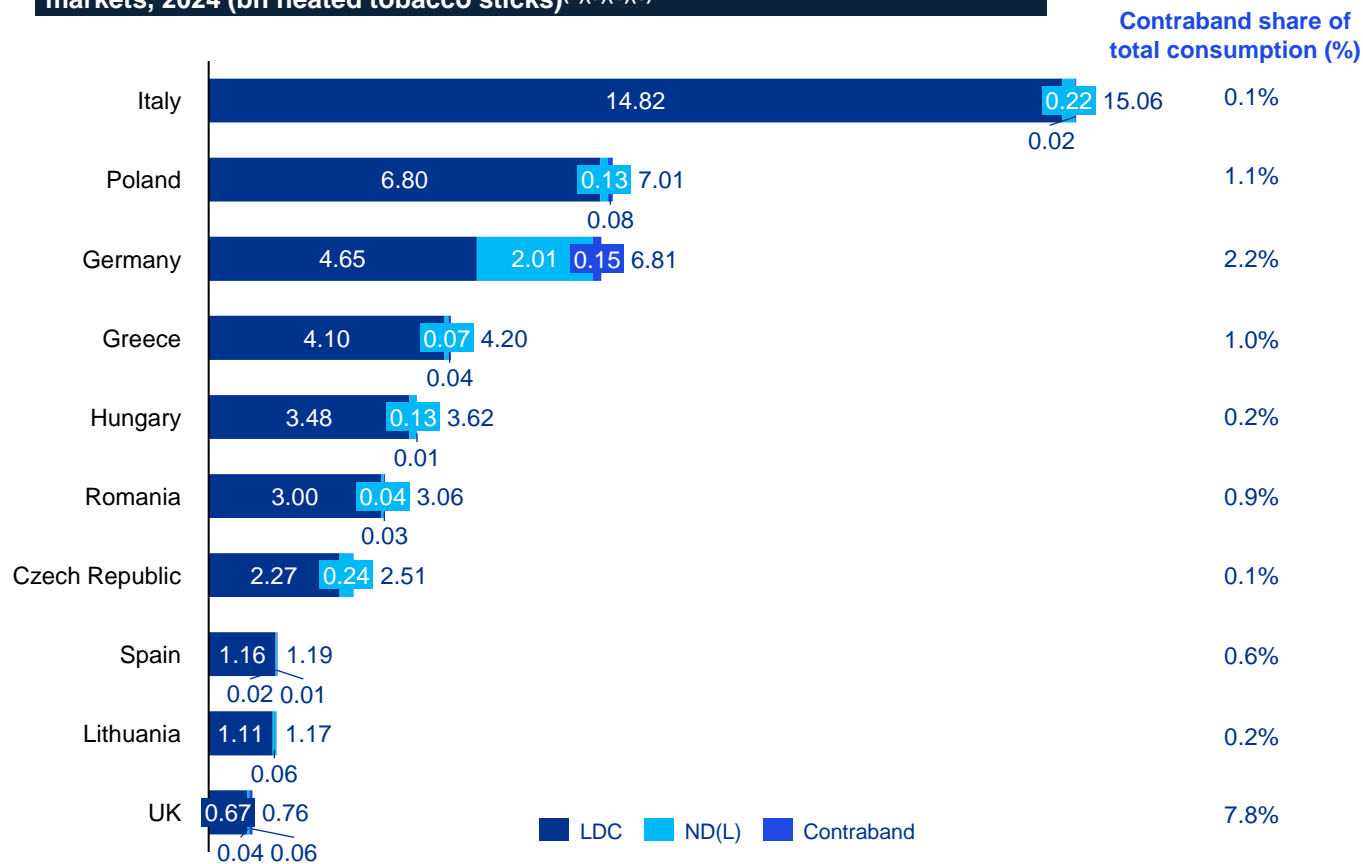


Note: (a) Counterfeit flows can only be potentially identified for markets where an empty pack survey has been conducted, and not for those markets where estimates are based on consumer survey data. Refer to individual country packs and the appendix for details on the sources used in this Report; (b) Due to rounding, the difference between totals shown in the chart or commentary may vary from the actuals; (c) 1 stick represents 1 heated tobacco stick

Source: (1) KPMG European Flows Calculation, 2021-2024;

Heated tobacco consumption by market

Heated tobacco total consumption by volume in 10 selected European markets, 2024 (bn heated tobacco sticks)^{(1)(a)(b)(c)}



- Across the majority of the 10 markets studied, heated tobacco is still a relatively new and growing category of tobacco consumption, with growth primarily driven by increasing Legal Domestic Sales
- Between 2021 and 2024 Legal Domestic Sales of heated tobacco showed year on year growth in most of the markets included in this Report (apart from the Czech Republic and Hungary)
- In 2024, Italy was the largest consumer of heated tobacco in this study, followed by Poland and Germany
- Contraband inflows were relatively low compared to cigarettes in the 10 markets included in this Report, albeit more variable in terms of share of total consumption
- Across the markets studied, the highest heated tobacco volumes of Contraband were found in Germany (0.15bn sticks) and Poland (0.08bn sticks), with the highest share in the UK (7.8% of total consumption)
- Legal Non-Domestic inflows of heated tobacco varied at the market level
- The highest legal inflow volume (ND(L)) was estimated in Germany (2.01bn sticks or 29.5% of total consumption), the majority of which originated in neighboring Poland and the Czech Republic

Note: (a) A methodology section and list of sources for each market is available in the methodology section of this Report (b) Due to rounding, the difference between totals shown in the chart or commentary may vary from the actuals (c) 1 stick represents 1 heated tobacco stick
Source: (1) KPMG European Flows Calculation, 2024

02



Country profiles

Albania



C&C cigarette consumption and total consumption

3.0bn

Cigarettes consumed

+0.15bn on 2023

0.1bn

C&C cigarettes consumed

+0.00bn on 2023

2.9%

Of total consumption was C&C

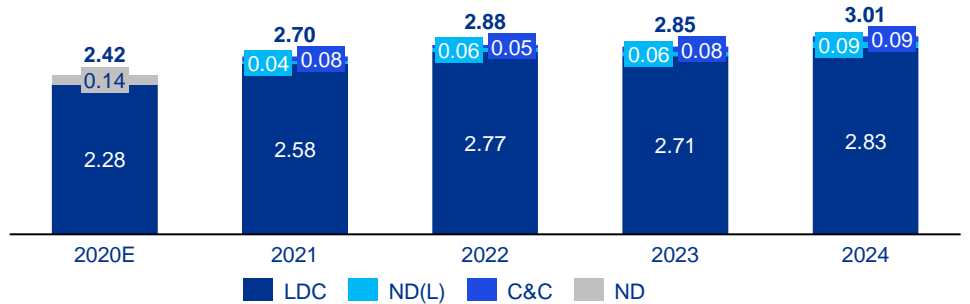
-0.04ppt on 2023

€9m

Total tax revenue lost from C&C in 2023^(c)

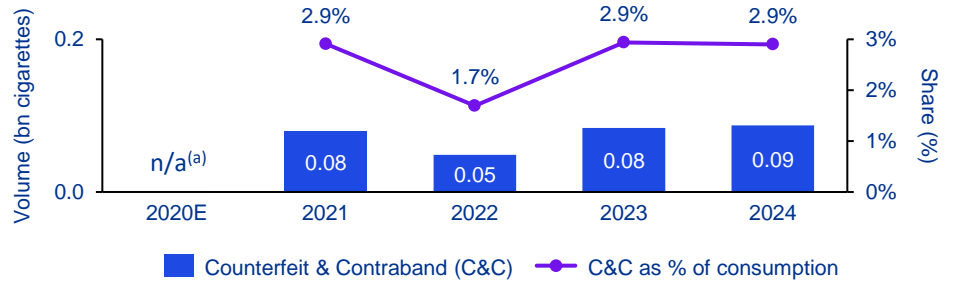
+€2m on 2023

Total consumption – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

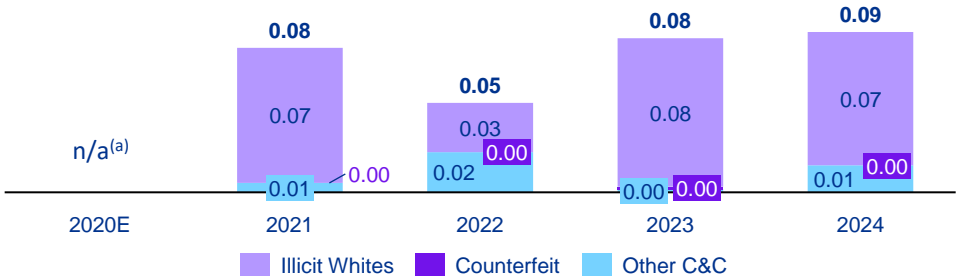


— C&C as a share of total cigarette consumption remained stable in 2024 with a volume decline in Illicit Whites offset by an increase in Other C&C

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024^{(1)(2)(a)}



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)(b)}



Note: (a) ND(L) and C&C detail is only shown for years with empty pack surveys (b) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (c) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (d) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024^{(1)(2)(a)}

Total Albania Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	2.45	2.71	2.96	2.95	3.09	5%
Outflows	(0.17)	(0.12)	(0.19)	(0.24)	(0.26)	5%
Legal Domestic Consumption (LDC)	2.28	2.58	2.77	2.71	2.83	5%
Non-Domestic Legal (ND(L))		0.04	0.06	0.06	0.09	38%
Counterfeit and Contraband (C&C)		0.08	0.05	0.08	0.09	4%
Total Non-Domestic	0.14	0.12	0.11	0.15	0.17	19%
Total Consumption	2.42	2.70	2.88	2.85	3.01	5%

- Total cigarette consumption increased by 5% in 2024, primarily driven by an increase in Legal Domestic Sales
- Non-Domestic inflows increased by 19% in 2024, with increased inflows of Illicit Whites with no country specific labelling, Duty Free Labelled packs and inflows from Kosovo
- Outflows increased in 2024, with increased outflows to Belgium and Germany partly offset by reduced outflows to the UK, Italy and other smaller volume destination markets grouped together within 'Other'

Total inflows by country of origin – 2020-2024^{(1)(a)(b)}

Inflows to Albania					
Billion cigarettes	2020	2021	2022	2023	2024
IWs with no country-specific labelling		0.07	0.02	0.04	0.06
Duty Free Labelled		0.00	0.00	0.04	0.05
Kosovo		0.01	0.03	0.02	0.03
Greece		0.01	0.02	0.01	0.01
Other		0.03	0.04	0.03	0.03
Total Inflows	0.14	0.12	0.11	0.15	0.17

Total outflows by destination – 2020-2024^{(1)(a)(b)}

Outflows from Albania					
Billion cigarettes	2020	2021	2022	2023	2024
Belgium	0.00	0.00	(0.01)	(0.02)	(0.07)
UK	(0.03)	(0.01)	(0.03)	(0.08)	(0.06)
Italy	(0.09)	(0.06)	(0.08)	(0.06)	(0.05)
Germany	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)
Other	(0.05)	(0.06)	(0.06)	(0.08)	(0.05)
Total Outflows	(0.17)	(0.12)	(0.19)	(0.24)	(0.26)

Note: (a) Detailed breakdowns of ND(L), C&C; inflows and outflows are only shown for years with empty pack surveys. Total Non-Domestic, and inflows and outflows totals for years where empty pack surveys were not conducted are estimates only based on extrapolations of empty pack survey results from the prior and following years (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

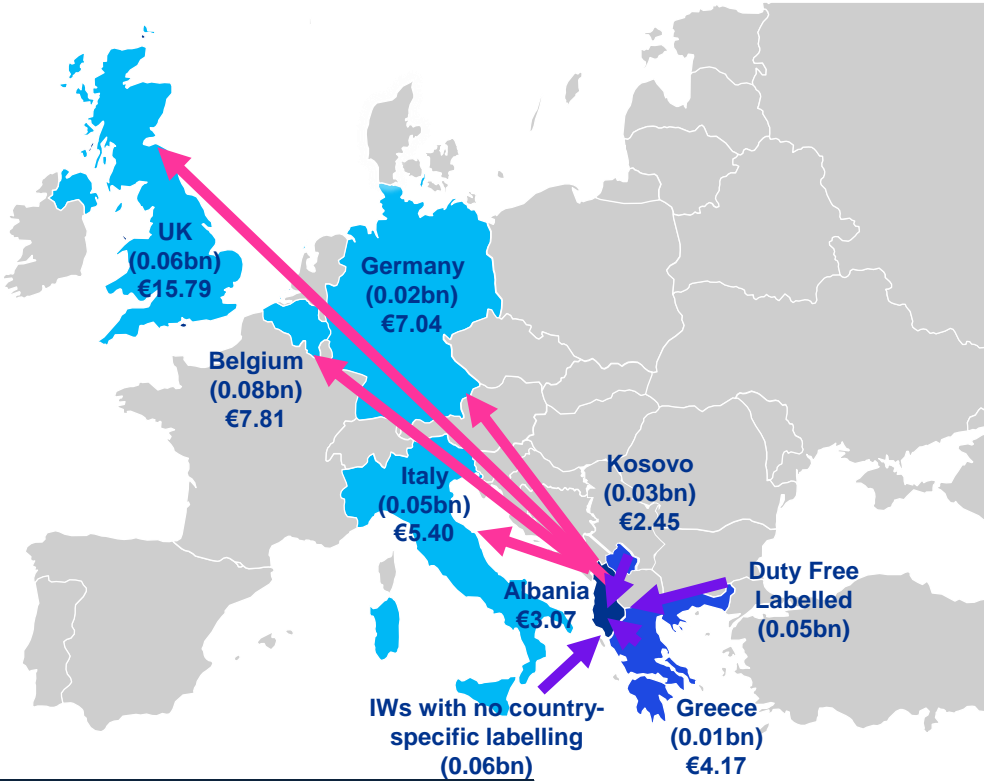
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

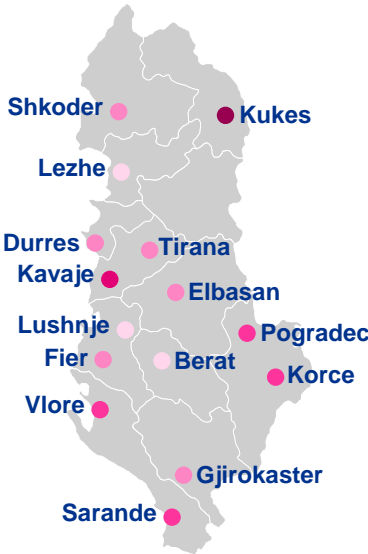
- Albania
- Source
- Destination
- ↑ Inflow
- ↑ Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

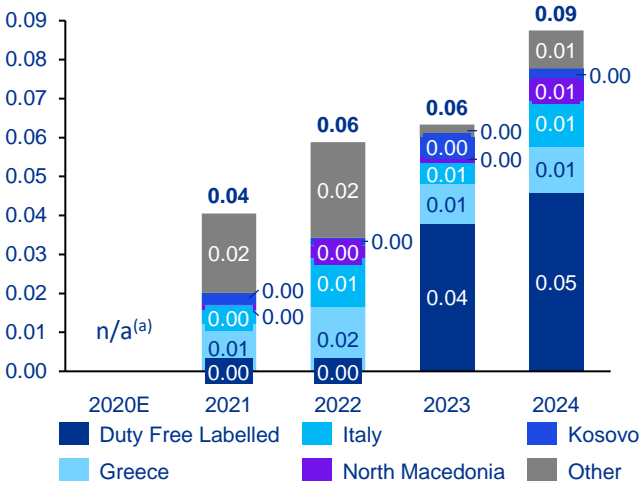


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

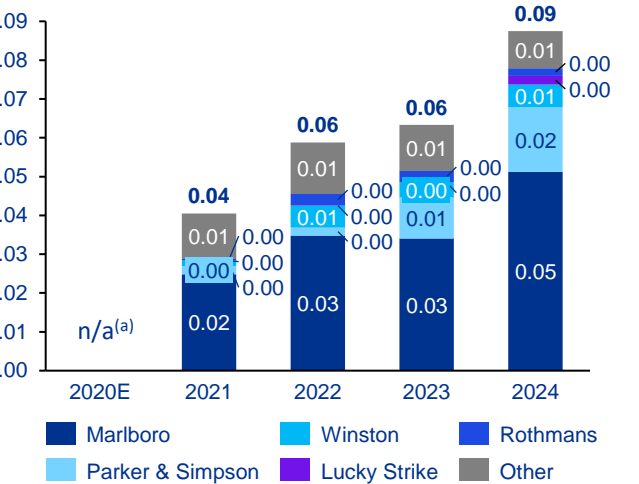
Source: (1) KPMG European Flows Calculation 2024; ; (2) Prices and tax rates, EC Excise Duty, 2024 (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

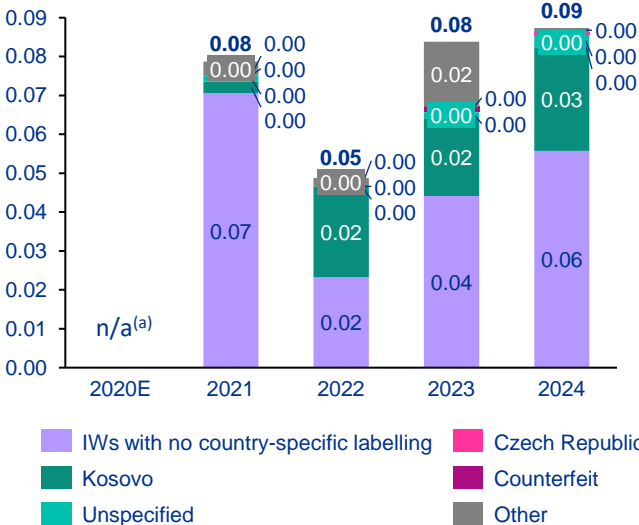


ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

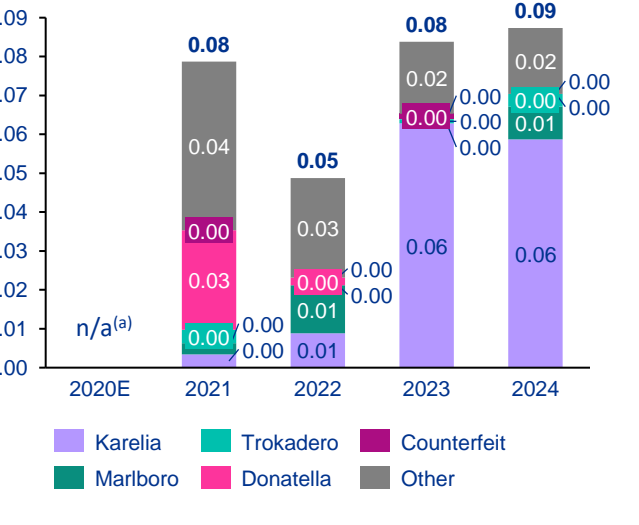


- Legal inflows (ND(L)) increased in 2024, primarily driven by increased legal inflows of Duty Free Labelled packs and inflows from North Macedonia
- Duty Free Labelled packs formed ~55% of ND(L) inflows in 2024 (vs ~60% in 2023)
- Illicit inflows (C&C) have increased marginally in 2024, with an increase in Illicit Whites with no country-specific labelling and inflows from Kosovo offset by a decrease in inflows from smaller destinations grouped within 'Other'
- At the brand level, Karelia continued to form the largest component of flows of illicit consumption

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



Note: (a) ND(L) and C&C country / brand breakdowns are only shown for the years where an empty pack survey was undertaken (b) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024

Austria



12.1bn

Cigarettes
consumed-0.07bn
on 2023

0.5bn

C&C cigarettes
consumed+0.01bn
on 2023

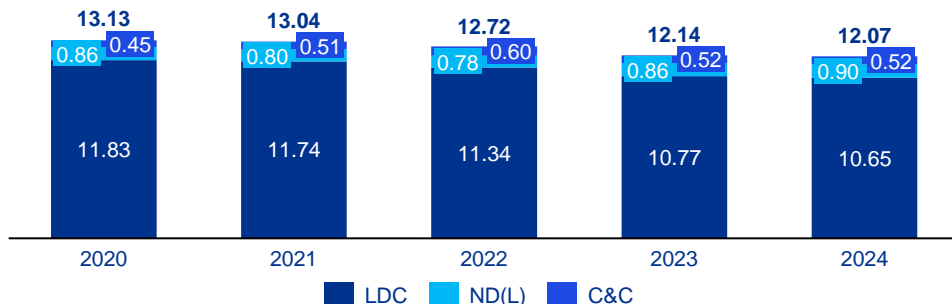
4.3%

Of total consumption
was C&C+0.07ppt
on 2023

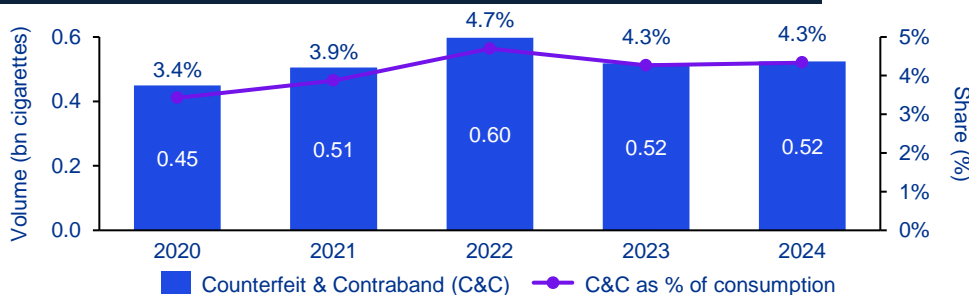
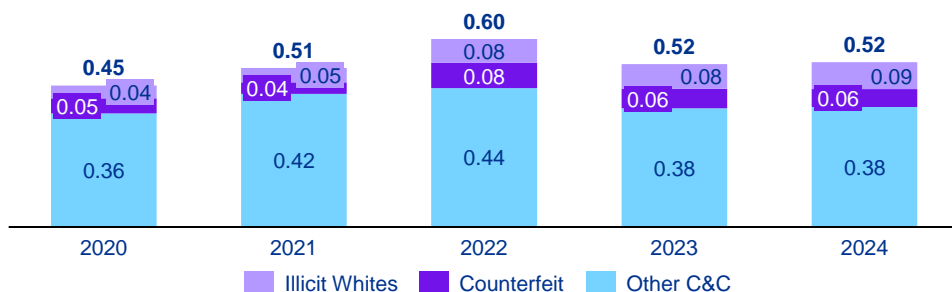
€115m

Total tax revenue
lost from C&C^(b)+€6m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

— C&C as a share of total consumption remained largely stable in 2024 and accounted for 4.3% of total consumption

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Austria Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	12.23	12.12	11.72	11.29	11.22	(1%)
Outflows	(0.40)	(0.38)	(0.38)	(0.52)	(0.57)	11%
Legal Domestic Consumption (LDC)	11.83	11.74	11.34	10.77	10.65	(1%)
Non-Domestic Legal (ND(L))	0.86	0.80	0.78	0.86	0.90	5%
Counterfeit and Contraband (C&C)	0.45	0.51	0.60	0.52	0.52	1%
Total Non-Domestic	1.31	1.30	1.38	1.38	1.43	4%
Total Consumption	13.13	13.04	12.72	12.14	12.07	(1%)

- Total cigarette consumption decreased by 1% in 2024, with a decline in Legal Domestic Consumption partly offset by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 4%, driven by increased inflows from Croatia and smaller markets grouped together within 'Other'
- Outflows increased by 11%, driven by increased outflows to Germany and Netherlands partly offset by reduced outflows to smaller markets grouped together within 'Other'

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Austria

Billion cigarettes	2020	2021	2022	2023	2024
Slovenia	0.11	0.24	0.20	0.19	0.18
Croatia	0.02	0.03	0.04	0.08	0.12
Duty Free Labelled	0.08	0.07	0.10	0.11	0.11
Slovakia	0.15	0.13	0.12	0.11	0.10
Poland	0.08	0.08	0.13	0.10	0.10
Other	0.86	0.75	0.79	0.78	0.82
Total Inflows	1.31	1.30	1.38	1.38	1.43

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Austria

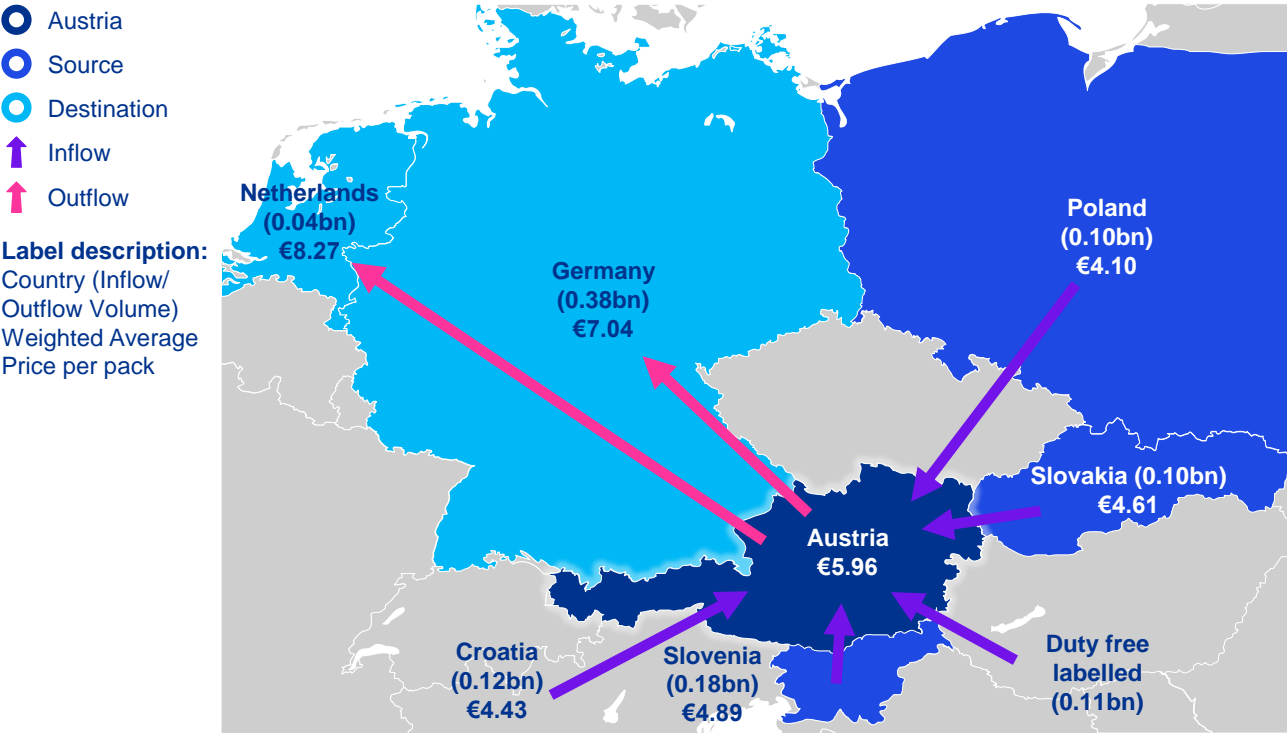
Billion cigarettes	2020	2021	2022	2023	2024
Germany	(0.27)	(0.25)	(0.24)	(0.26)	(0.38)
Netherlands	(0.02)	(0.01)	(0.01)	(0.02)	(0.04)
Slovenia	(0.00)	(0.02)	(0.01)	(0.02)	(0.02)
Other	(0.11)	(0.10)	(0.13)	(0.22)	(0.14)
Total Outflows	(0.40)	(0.38)	(0.38)	(0.52)	(0.57)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

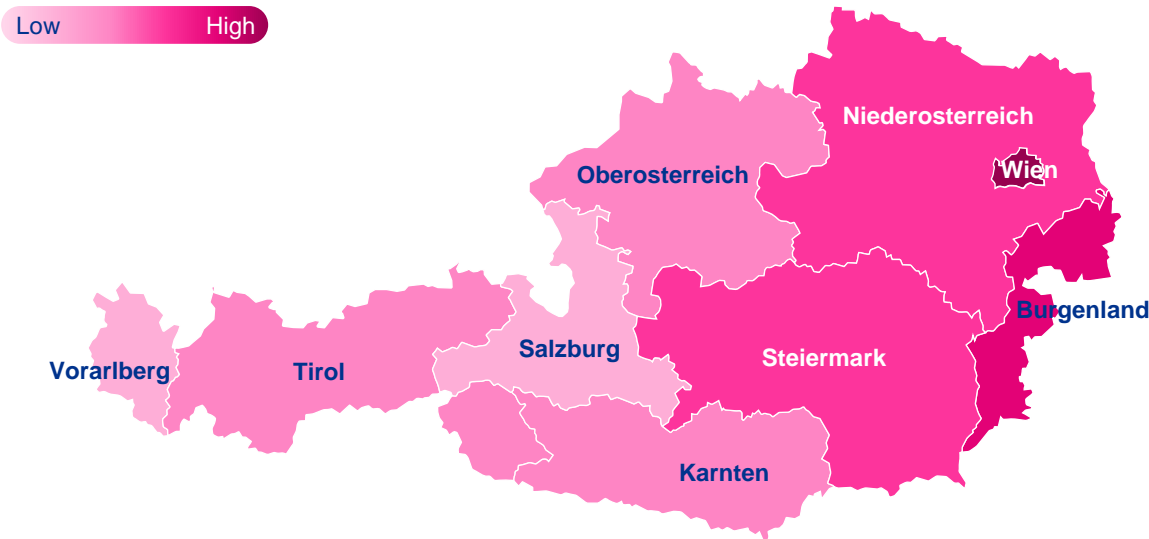
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

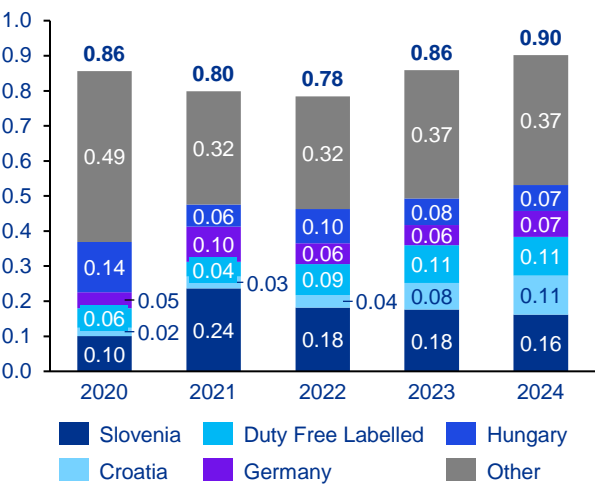


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

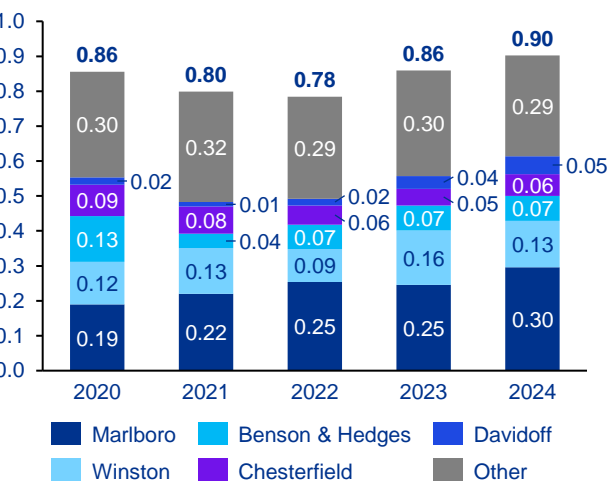
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

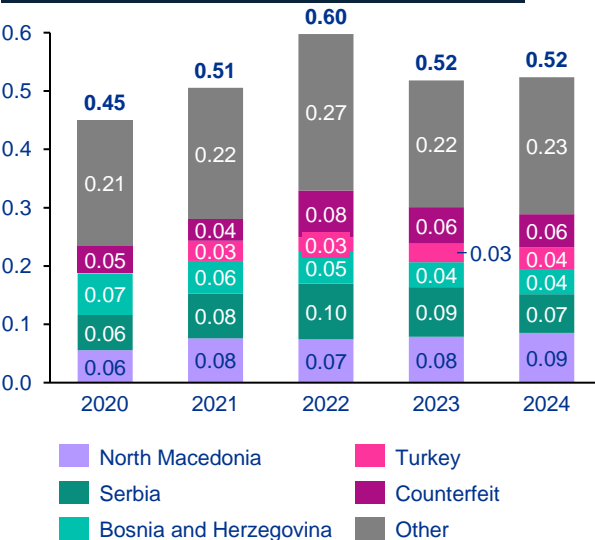


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

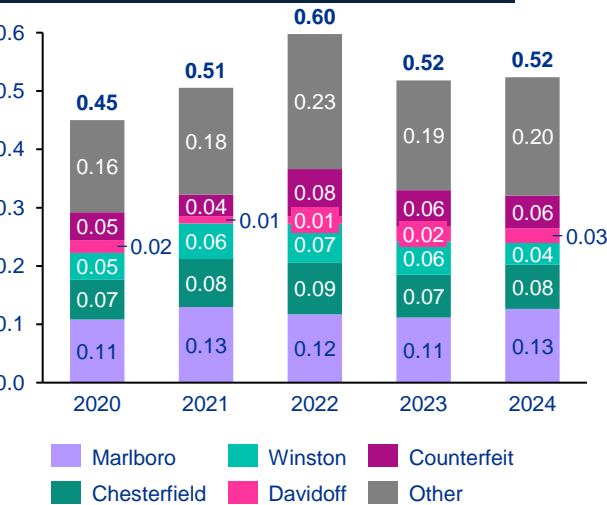


- Legal inflows (ND(L)) increased by 5% with increased legal inflows from Croatia and reduced legal inflows from Slovenia
- Illicit inflows (C&C) remained largely stable

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Belgium



8.5bn

Cigarettes
consumed-0.59bn
on 2023

1.3bn

C&C cigarettes
consumed+0.15bn
on 2023

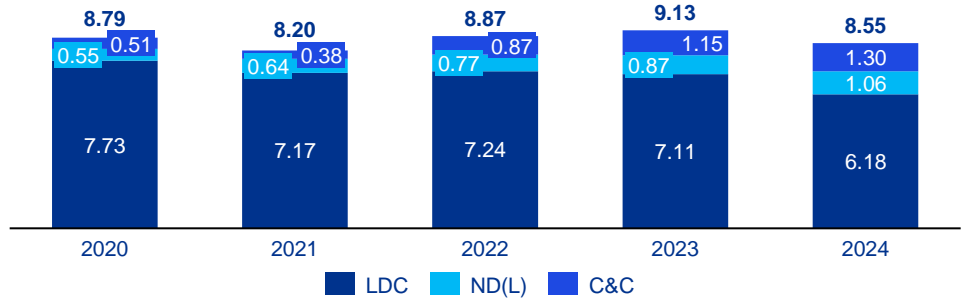
15.2%

Of total consumption
was C&C+2.65ppt
on 2023

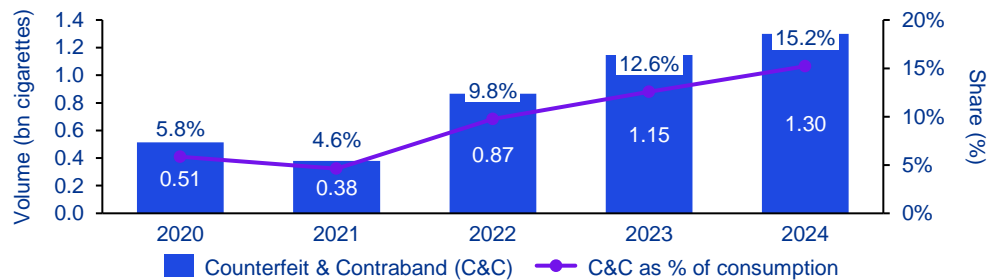
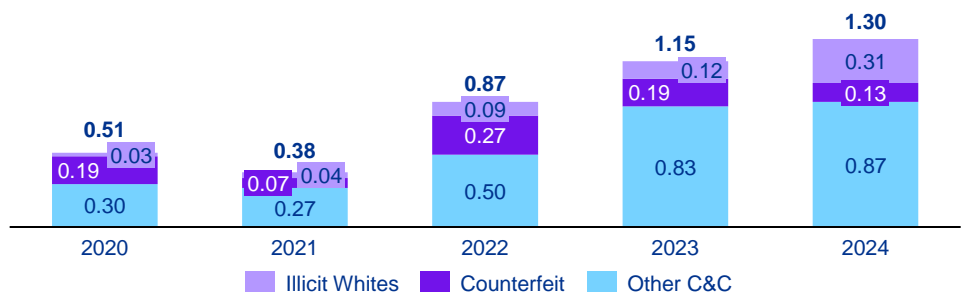
€544m

Total tax revenue
lost from C&C^(b)+€109m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total cigarette consumption increased by 2.6 pts to 15.2% in 2024, with an increase in Illicit Whites volumes partly offset by a decrease in Counterfeit and Other C&C

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Belgium Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	9.23	8.91	8.62	8.05	6.80	(16%)
Outflows	(1.50)	(1.74)	(1.38)	(0.94)	(0.61)	(35%)
Legal Domestic Consumption (LDC)	7.73	7.17	7.24	7.11	6.18	(13%)
Non-Domestic Legal (ND(L))	0.55	0.64	0.77	0.87	1.06	22%
Counterfeit and Contraband (C&C)	0.51	0.38	0.87	1.15	1.30	13%
Total Non-Domestic	1.06	1.02	1.63	2.02	2.36	17%
Total Consumption	8.79	8.20	8.87	9.13	8.55	(6%)

- Total cigarette consumption decreased by 6%, primarily driven by a decrease in Legal Domestic Sales
- Non-Domestic inflows increased by 17%, with increased inflows from Bulgaria and Luxembourg partly offset by a decline in inflows from Turkey, Counterfeit and smaller volume sources grouped together within 'Other'
- Outflows decreased by 35%, with a decrease in outflows to France

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Belgium					
Billion cigarettes	2020	2021	2022	2023	2024
Bulgaria	0.21	0.18	0.33	0.55	0.77
Luxembourg	0.26	0.43	0.43	0.46	0.74
Turkey	0.04	0.03	0.11	0.25	0.16
Counterfeit	0.19	0.07	0.27	0.19	0.13
Duty Free Labelled	0.02	0.03	0.05	0.07	0.08
Other	0.34	0.28	0.45	0.51	0.47
Total Inflows	1.06	1.02	1.63	2.02	2.36

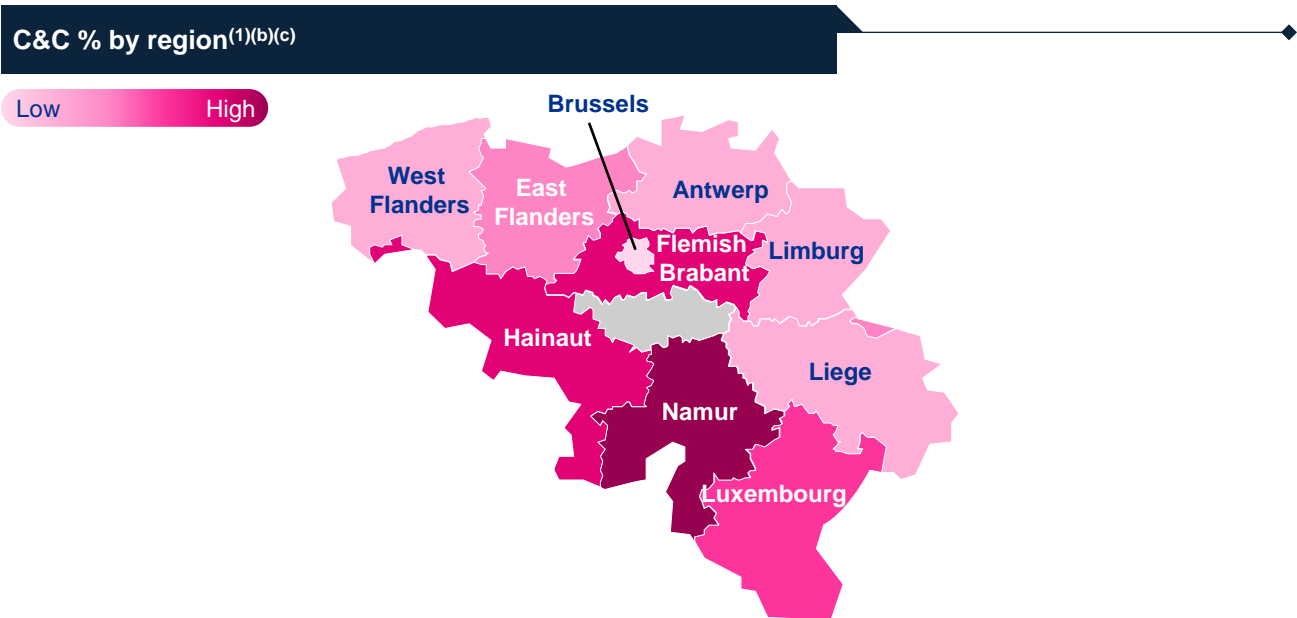
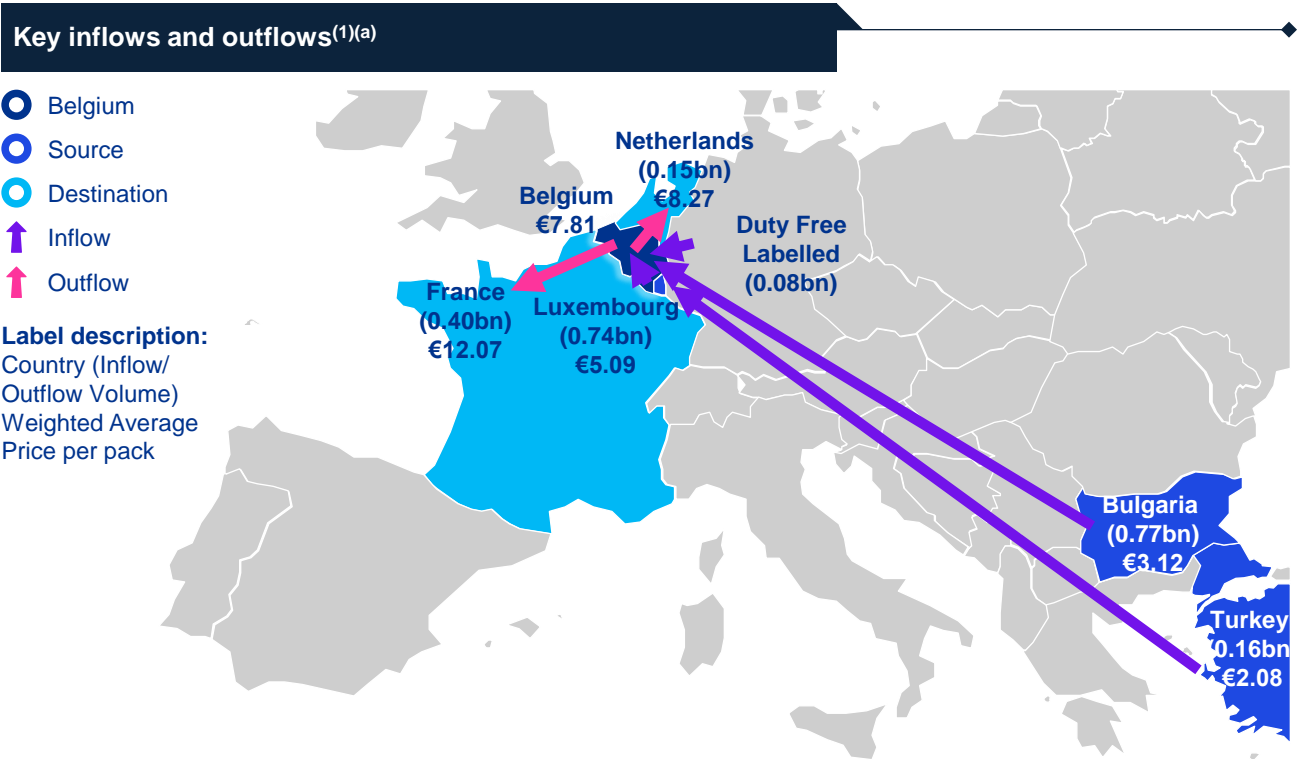
Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Belgium					
Billion cigarettes	2020	2021	2022	2023	2024
France	(1.05)	(0.70)	(0.60)	(0.73)	(0.40)
Netherlands	(0.34)	(0.91)	(0.73)	(0.15)	(0.15)
Luxembourg	(0.03)	(0.01)	(0.00)	(0.01)	(0.01)
Other	(0.08)	(0.12)	(0.05)	(0.05)	(0.05)
Total Outflows	(1.50)	(1.74)	(1.38)	(0.94)	(0.61)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns

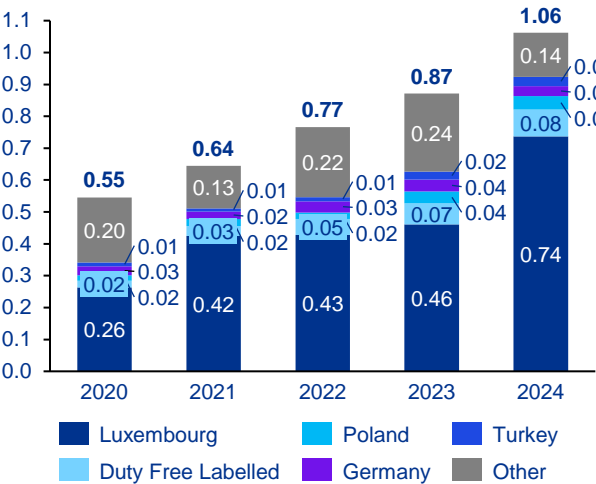


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

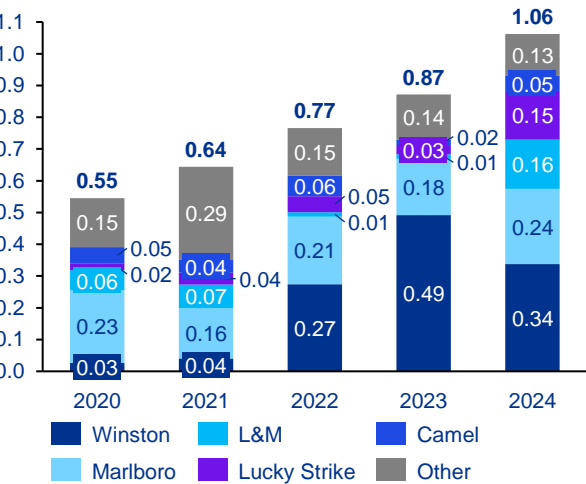
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

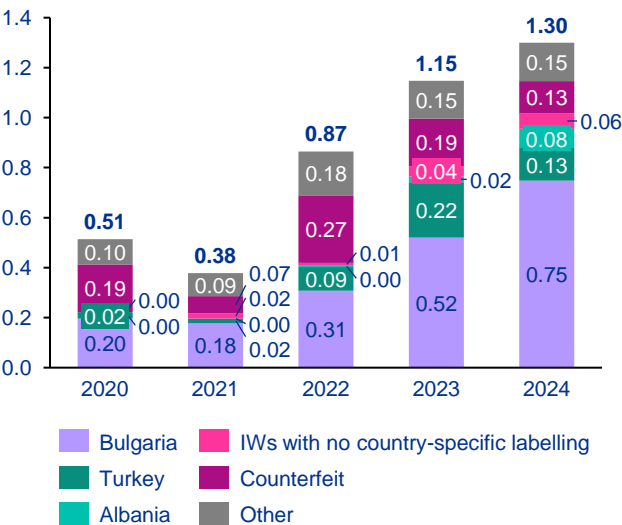


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

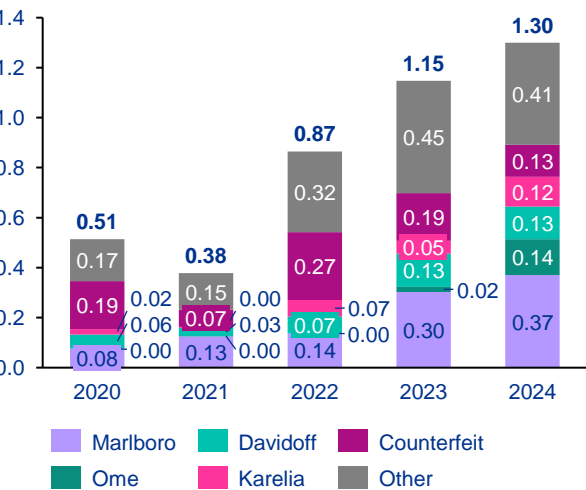


- Legal inflows (ND(L)) increased by 22% in 2024, primarily driven by an increase in legal flows from Luxembourg
- C&C increased by 13%, driven by an increase in illicit flows from Bulgaria and Albania which were partly offset by a decline in illicit flows from Turkey and Counterfeit

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Bosnia and Herzegovina



4.8bn

Cigarettes consumed

-0.01bn
on 2023

0.1bn

C&C cigarettes consumed

-0.30bn
on 2023

2.3%

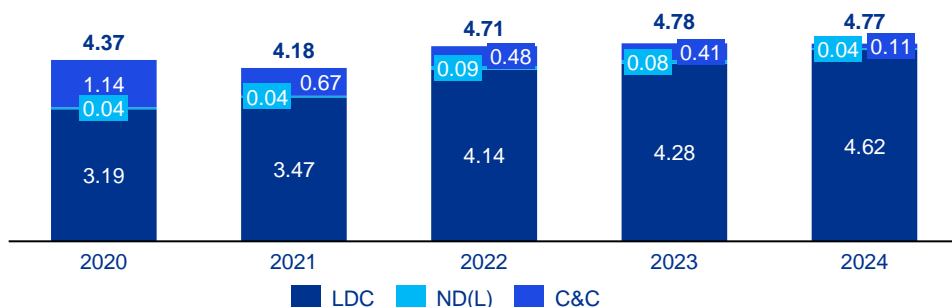
Of total consumption was C&C

-6.22ppt on
2023

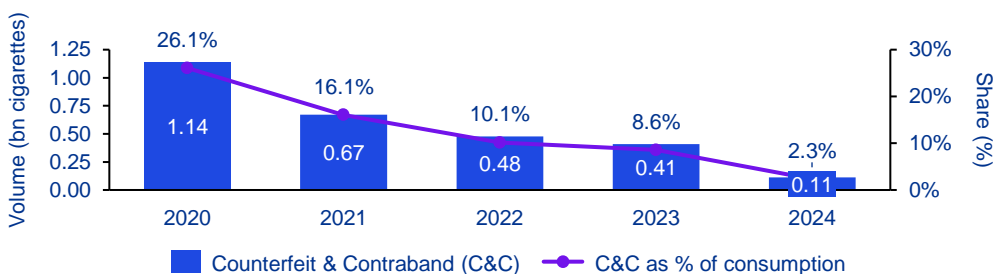
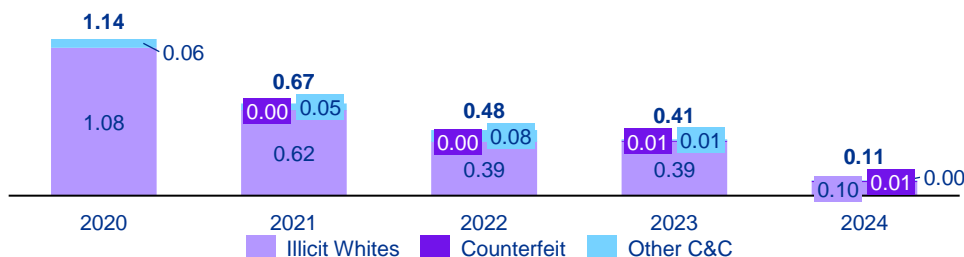
€15m

Total tax revenue lost from C&C in 2023^(c)-€53m on
2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

— C&C as a share of total consumption decreased by 6.3ppts to 2.3% in 2024, primarily driven by a decline in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024^{(1)(2)(a)}C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)(b)}

Note: (a) ND(L) and C&C detail is only shown for years with empty pack surveys (b) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (c) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (d) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024^{(1)(2)(a)}

Total Bosnia and Herzegovina Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	3.48	3.78	4.46	4.59	4.89	7%
Outflows	(0.29)	(0.31)	(0.31)	(0.30)	(0.27)	(9%)
Legal Domestic Consumption (LDC)	3.19	3.47	4.14	4.28	4.62	8%
Non-Domestic Legal (ND(L))	0.04	0.04	0.09	0.08	0.04	(53%)
Counterfeit and Contraband (C&C)	1.14	0.67	0.48	0.41	0.11	(73%)
Total Non-Domestic	1.18	0.71	0.56	0.49	0.15	(69%)
Total Consumption	4.37	4.18	4.71	4.78	4.77	(0%)

- Total cigarette consumption remained stable in 2024, with an increase in Legal Domestic Consumption offset by a decline in Non-Domestic inflows
- Non-Domestic inflows declined by 69%, primarily driven by reduced inflows of Illicit Whites with no country specific labelling
- Outflows declined by 9%, primarily driven by reduced outflows to Croatia

Total inflows by country of origin – 2020-2024^{(1)(a)(b)}

Inflows to Bosnia and Herzegovina					
Billion cigarettes	2020	2021	2022	2023	2024
IWs with no country-specific labelling	1.07	0.58	0.31	0.37	0.09
Serbia	0.02	0.05	0.08	0.01	0.01
Other	0.09	0.08	0.17	0.12	0.05
Total Inflows	1.18	0.71	0.56	0.49	0.15

Total outflows by destination – 2020-2024^{(1)(a)(b)}

Outflows from Bosnia and Herzegovina					
Billion cigarettes	2020	2021	2022	2023	2024
Croatia	(0.06)	(0.09)	(0.13)	(0.11)	(0.07)
Germany	(0.09)	(0.05)	(0.05)	(0.04)	(0.05)
Slovenia	(0.03)	(0.05)	(0.02)	(0.06)	(0.05)
Austria	(0.07)	(0.06)	(0.06)	(0.04)	(0.04)
Other	(0.05)	(0.07)	(0.06)	(0.05)	(0.06)
Total Outflows	(0.29)	(0.31)	(0.31)	(0.30)	(0.27)

Note: (a) Detailed breakdowns of ND(L), C&C, inflows and outflows are only shown for years with empty pack surveys. Total Non-Domestic, and inflows and outflows totals for years where empty pack surveys were not conducted are estimates only based on extrapolations of empty pack survey results from the prior and following years (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

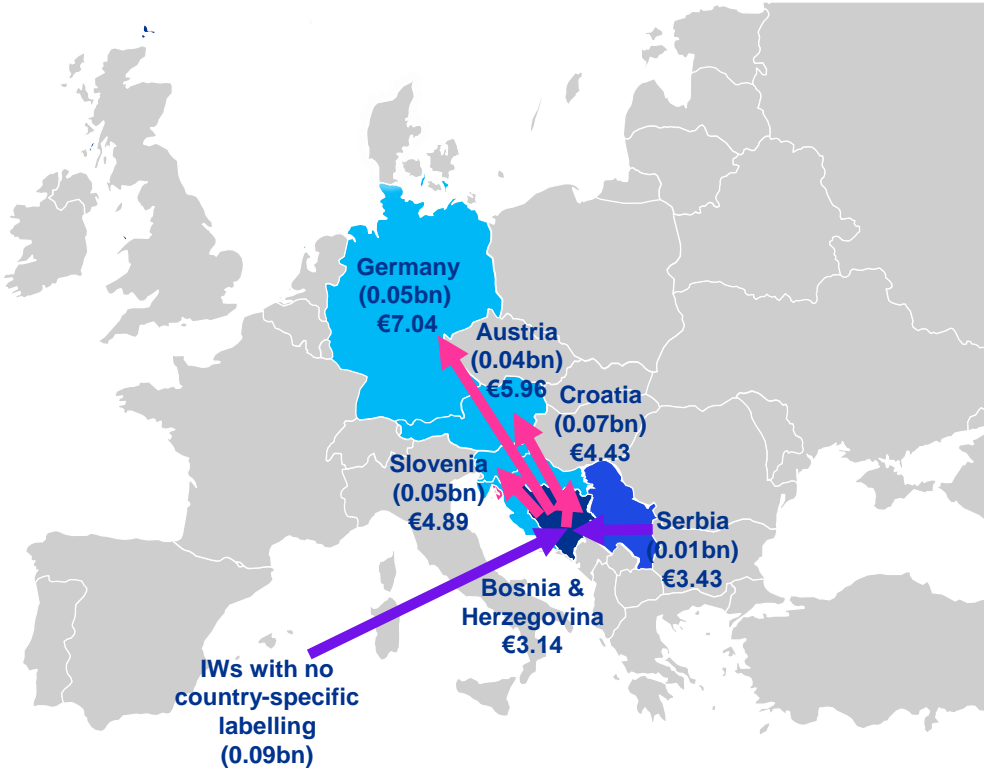
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

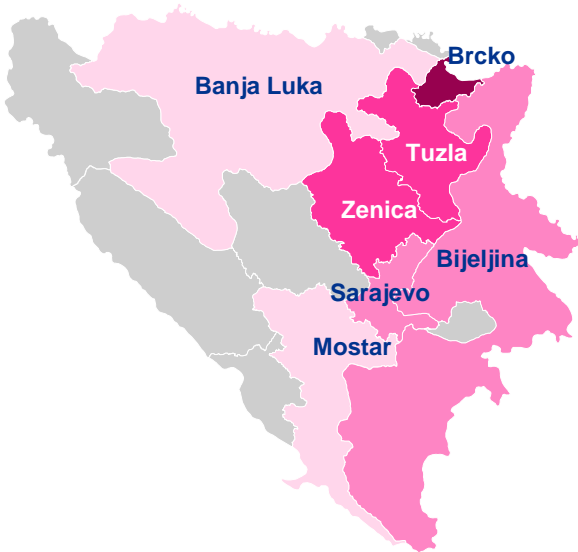
-  Bosnia & Herzegovina
-  Source
-  Destination
-  Inflow
-  Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

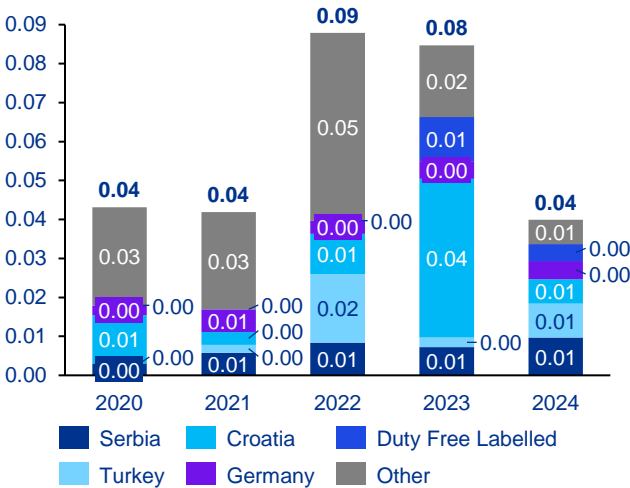


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

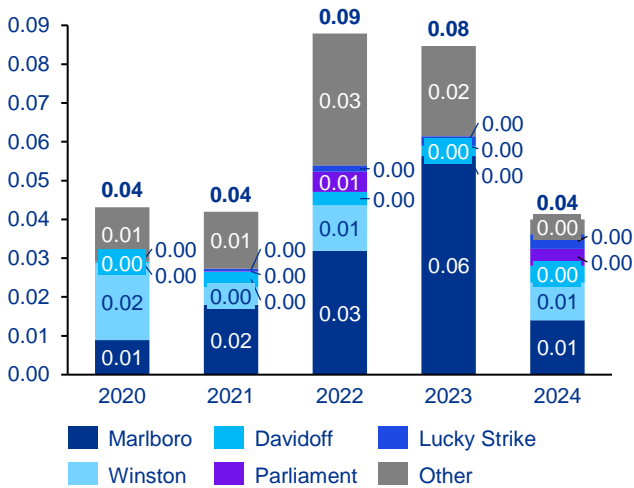
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

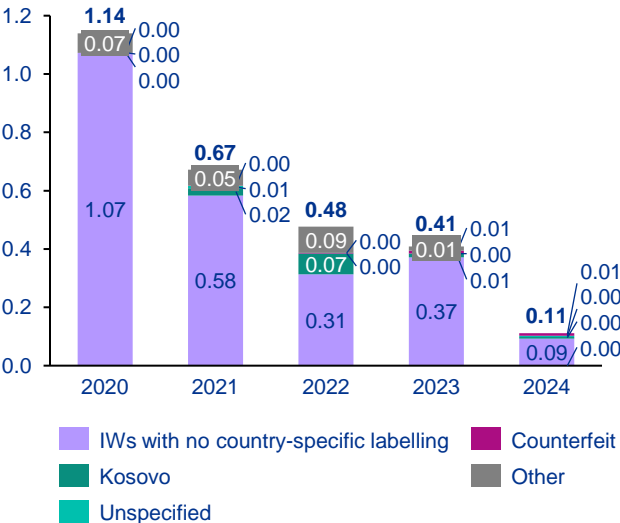


ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

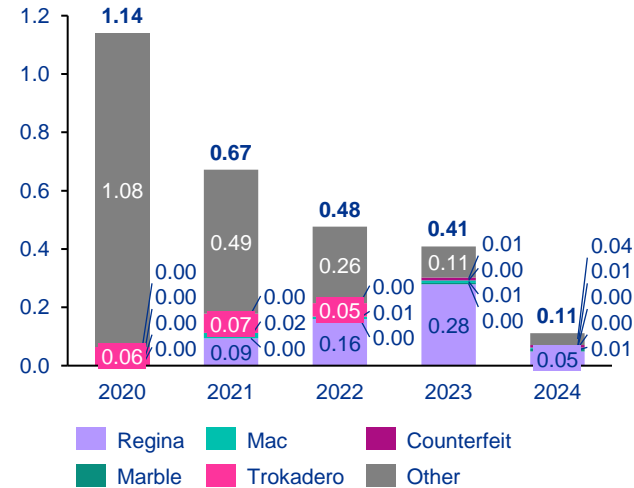


- Legal inflows (ND(L)) declined by 53% in 2024, primarily driven by reduced legal inflows from Croatia
- At a brand level, the decline in ND(L) was driven by a decline in legal inflows of Marlboro
- Illicit inflows (C&C) decreased by 73%, with Illicit Whites with no country-specific labelling continuing to account for the majority of illicit inflows, albeit with reduced volumes
- At a brand level, Regina accounted for ~45% of illicit flows into the country

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}

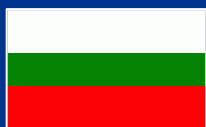


Note: (a) ND(L) and C&C country / brand breakdowns are only shown for the years where an empty pack survey was undertaken (b) Only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024



Bulgaria



16.1bn

Cigarettes
consumed+0.93bn
on 2023

0.2bn

C&C cigarettes
consumed-0.01bn
on 2023

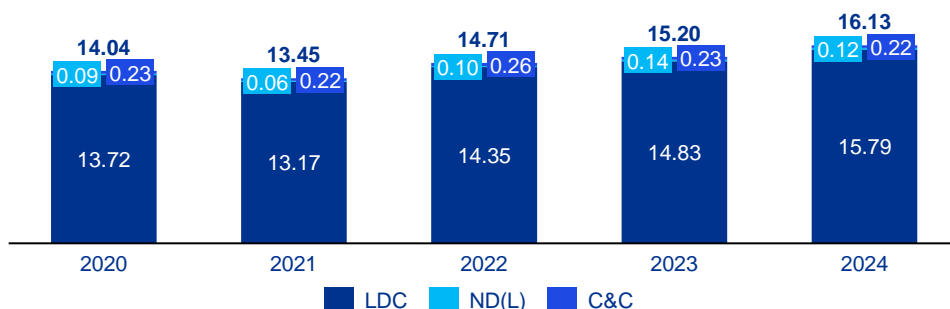
1.3%

Of total consumption
was C&C-0.18ppt on
2023

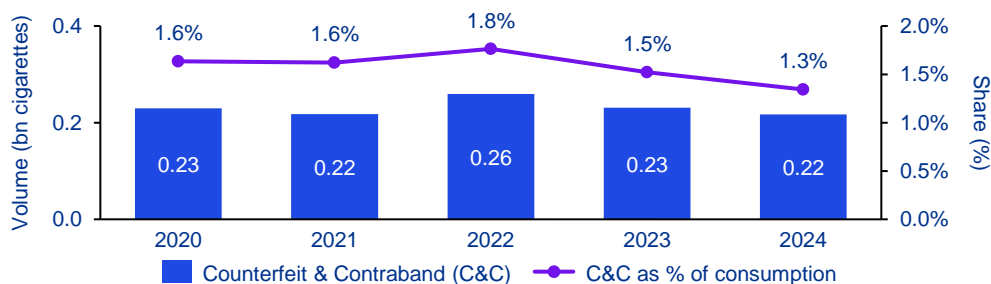
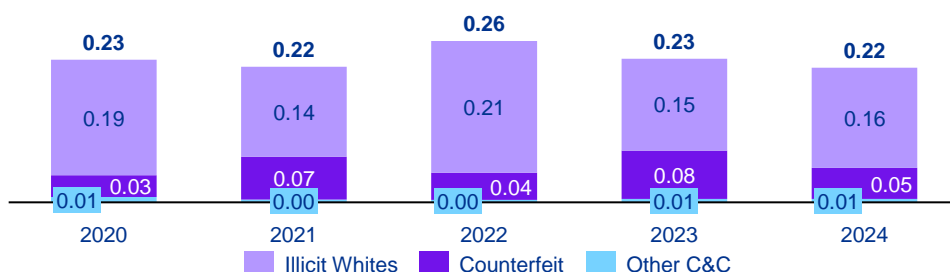
€27m

(BGN53m)⁽³⁾Total tax revenue
lost from C&C^(b)€0m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total consumption decreased by 0.2ppts to 1.3% in 2024; driven by a decline in inflows of Counterfeit which was partly offset by an increase in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; ; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data (3) EUR 1 = BGN 1.956, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Bulgaria Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	14.77	15.21	15.90	16.83	18.01	7%
Outflows	(1.05)	(2.04)	(1.55)	(2.00)	(2.22)	11%
Legal Domestic Consumption (LDC)	13.72	13.17	14.35	14.83	15.79	7%
Non-Domestic Legal (ND(L))	0.09	0.06	0.10	0.14	0.12	(12%)
Counterfeit and Contraband (C&C)	0.23	0.22	0.26	0.23	0.22	(6%)
Total Non-Domestic	0.32	0.28	0.36	0.37	0.34	(8%)
Total Consumption	14.04	13.45	14.71	15.20	16.13	6%

- Total Consumption increased by 6% in 2024, driven by an increase in Legal Domestic Sales
- Non-Domestic inflows decreased by 8%, with increased inflows of Illicit Whites with no country-specific labelling and Duty Free Labelled more than offset by a decline in Counterfeit and flows from smaller source markets grouped together within ‘Other’
- Outflows from Bulgaria increased by 11% with increased outflows to Belgium and Romania and decreased outflows to Germany, the UK and smaller source markets grouped together within ‘Other’

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Bulgaria					
Billion cigarettes	2020	2021	2022	2023	2024
IWs with no country-specific labelling	0.17	0.14	0.21	0.13	0.15
Duty Free Labelled	0.06	0.03	0.04	0.05	0.06
Counterfeit	0.03	0.07	0.04	0.08	0.05
Other	0.06	0.05	0.06	0.11	0.08
Total Inflows	0.32	0.28	0.36	0.37	0.34

Total outflows by destination – 2020-2024^{(1)(a)(b)}

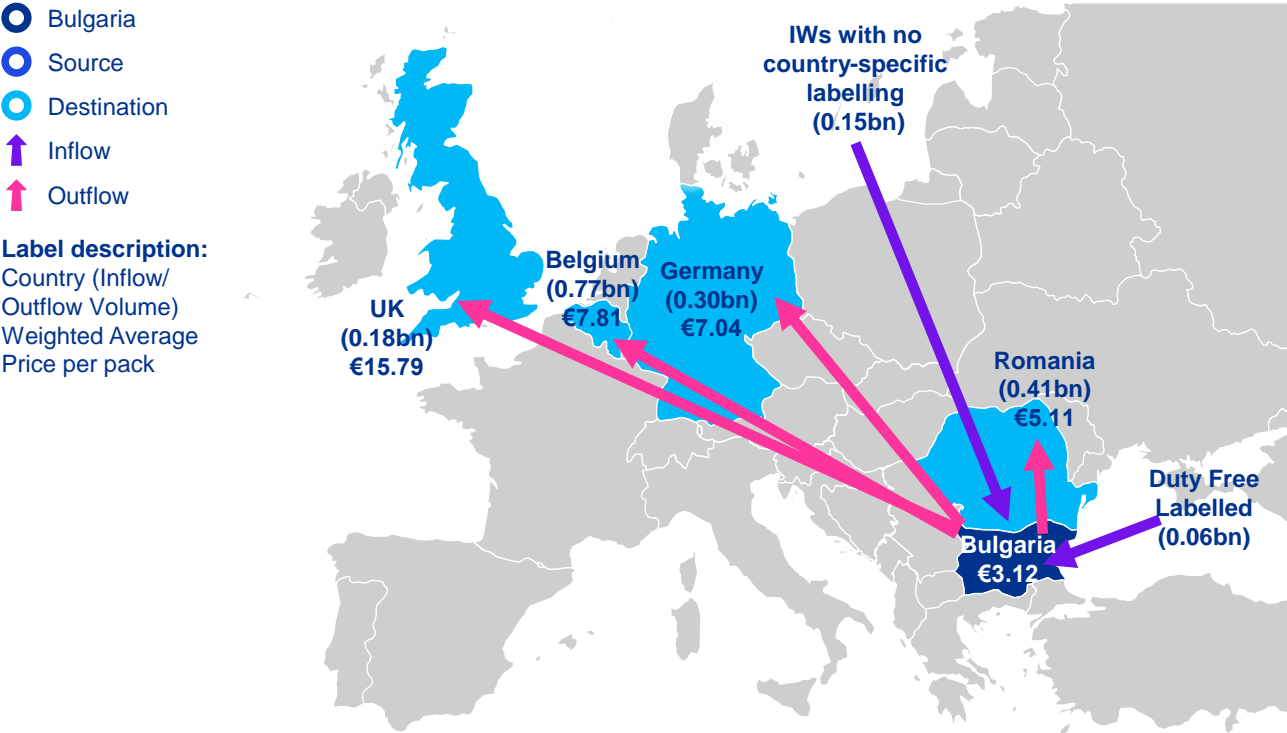
Outflows from Bulgaria					
Billion cigarettes	2020	2021	2022	2023	2024
Belgium	(0.21)	(0.18)	(0.33)	(0.55)	(0.77)
Romania	(0.02)	(0.03)	(0.05)	(0.23)	(0.41)
Germany	(0.21)	(0.25)	(0.32)	(0.36)	(0.30)
UK	(0.08)	(0.12)	(0.14)	(0.21)	(0.18)
Other	(0.53)	(1.46)	(0.70)	(0.66)	(0.56)
Total Outflows	(1.05)	(2.04)	(1.55)	(2.00)	(2.22)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows; (b) Outflows of the brand Davidoff from Bulgaria were in excess of sales of the brand in Bulgaria (after accounting for domestic consumption), indicating the brand was potentially being oversampled in those markets. Therefore, outflows of this brand from Bulgaria have been capped at Legal Domestic Sales of the brand in Bulgaria less domestic consumption of the brand in Bulgaria (and the resulting inflows into other markets reduced accordingly)

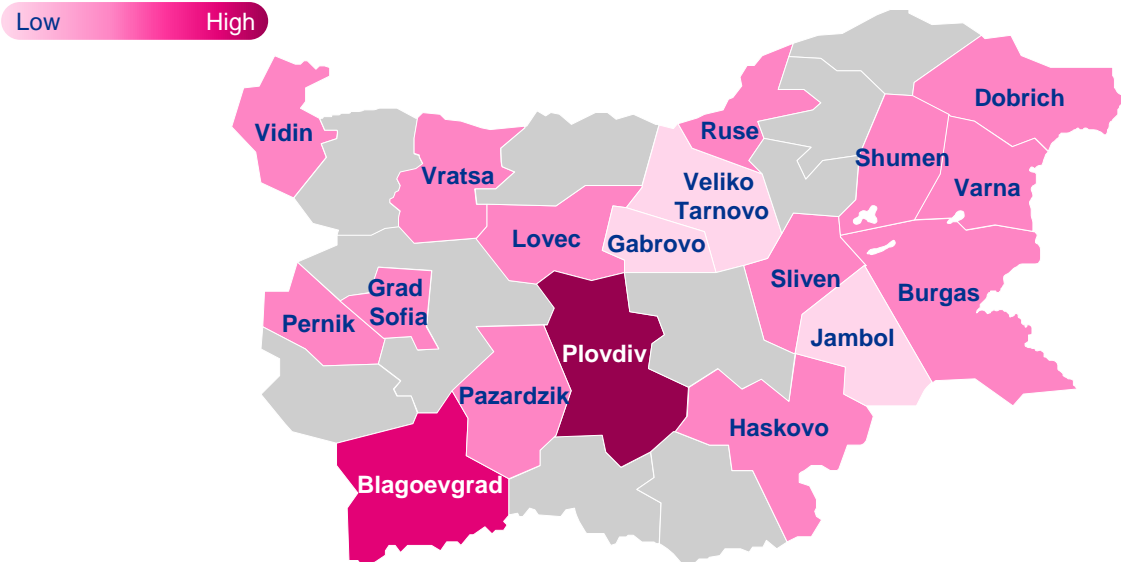
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

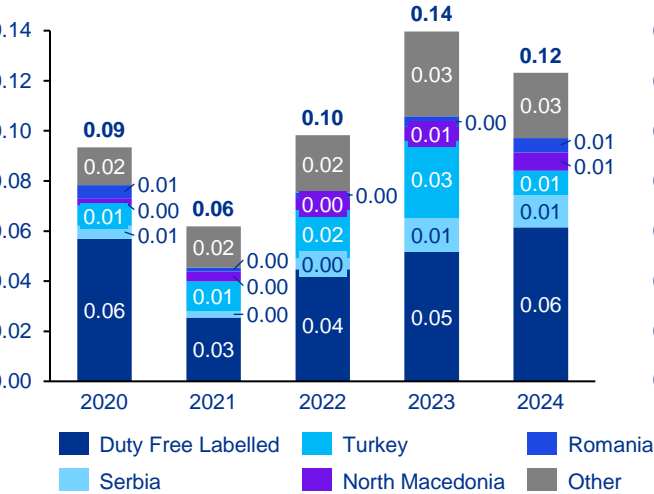


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

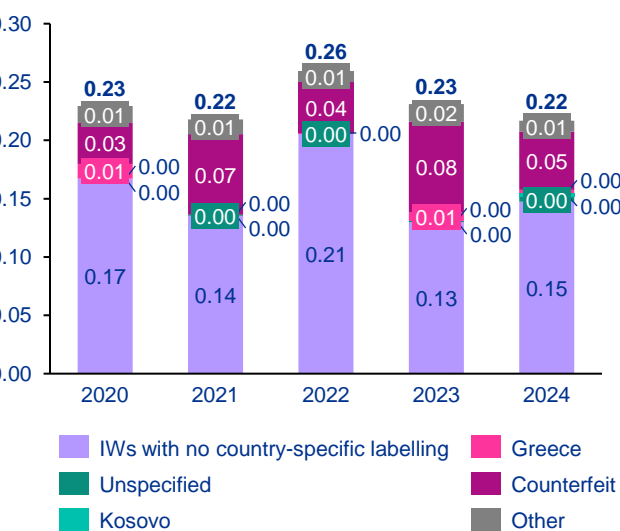


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

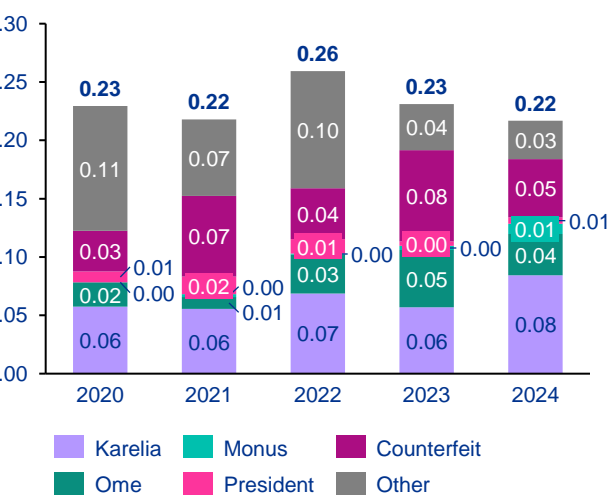


- Legal inflows (ND(L)) declined by 12%, primarily driven by a decline in legal flows from Turkey
- Illicit inflows (C&C) declined by 6%, primarily driven by lower inflows of Counterfeit. This was partly offset by increased inflows of Illicit Whites with no country-specific labelling which remain the largest source of C&C

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Croatia



6.8bn

Cigarettes consumed

+0.64bn
on 2023

0.3bn

C&C cigarettes consumed

+0.12bn
on 2023

4.9%

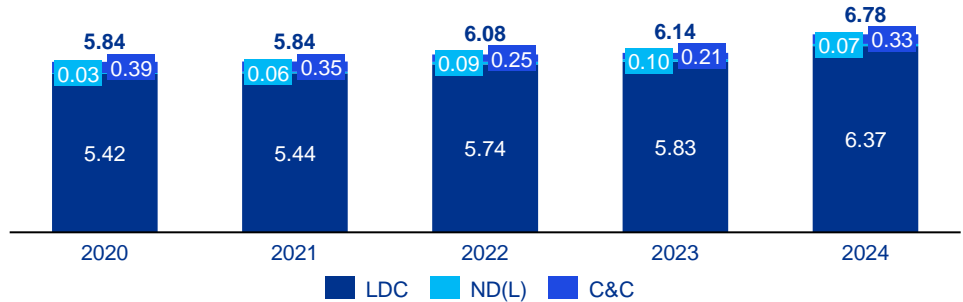
Of total consumption was C&C

+1.42pts
on 2023

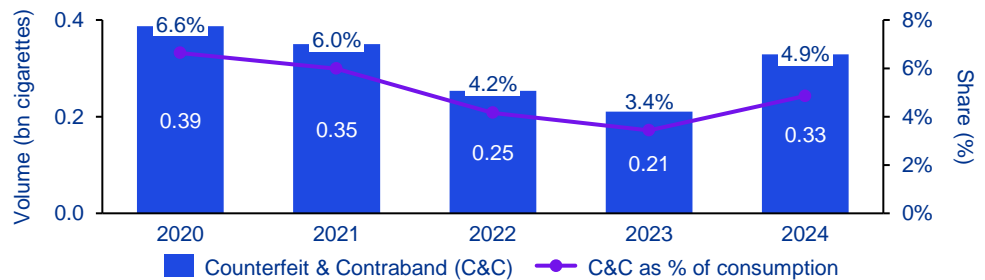
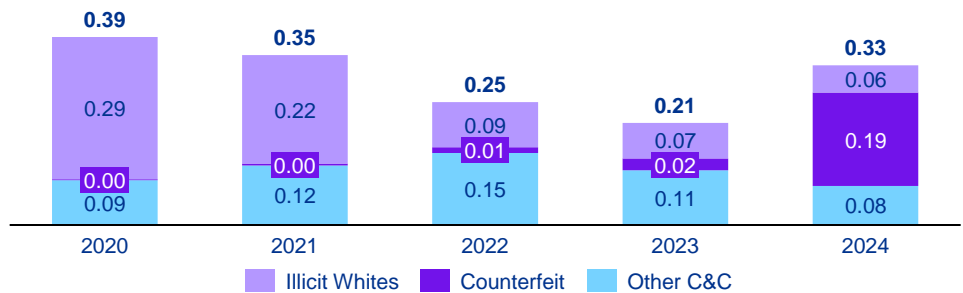
€57m

Total tax revenue lost from C&C^{(b) (3)}+€21m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

— C&C share of total consumption increased by 1.5ppts to 4.9% or 0.33bn in 2024, driven by an increase in Counterfeit

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) Croatia has adopted Euro starting 1st January 2023

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Croatia Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	5.69	5.74	6.03	6.37	7.01	10%
Outflows	(0.26)	(0.30)	(0.29)	(0.54)	(0.63)	16%
Legal Domestic Consumption (LDC)	5.42	5.44	5.74	5.83	6.37	9%
Non-Domestic Legal (ND(L))	0.03	0.06	0.09	0.10	0.07	(23%)
Counterfeit and Contraband (C&C)	0.39	0.35	0.25	0.21	0.33	56%
Total Non-Domestic	0.42	0.41	0.34	0.31	0.40	31%
Total Consumption	5.84	5.84	6.08	6.14	6.78	10%

- Total consumption increased by 10% in 2024, driven by an increase in both Legal Domestic Consumption and Non-Domestic inflows
- Non-Domestic inflows increased to 0.40bn in 2024, post a continued declining trend since 2021, driven by an increase in Counterfeit. This is partially offset by a decline in flows from Bosnia and Herzegovina and smaller markets grouped under 'Other'
- Outflows further increased by 16% reaching 0.63bn in 2024, against a backdrop of Croatia's entry to the Schengen area in 2023 and increased tourism volumes, primarily from Germany and Austria

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Croatia

Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.00	0.00	0.01	0.02	0.19
Bosnia and Herzegovina	0.06	0.09	0.13	0.11	0.07
Other	0.36	0.31	0.20	0.17	0.14
Total Inflows	0.42	0.41	0.34	0.31	0.40

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Croatia

Billion cigarettes	2020	2021	2022	2023	2024
Germany	(0.16)	(0.13)	(0.14)	(0.16)	(0.25)
Austria	(0.02)	(0.03)	(0.04)	(0.08)	(0.12)
Netherlands	(0.01)	(0.01)	(0.00)	(0.07)	(0.06)
Slovenia	(0.02)	(0.06)	(0.02)	(0.06)	(0.06)
Other	(0.06)	(0.08)	(0.08)	(0.18)	(0.13)
Total Outflows	(0.26)	(0.30)	(0.29)	(0.54)	(0.63)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows

Key inflows and outflows^{(1)(a)}

- Croatia
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack

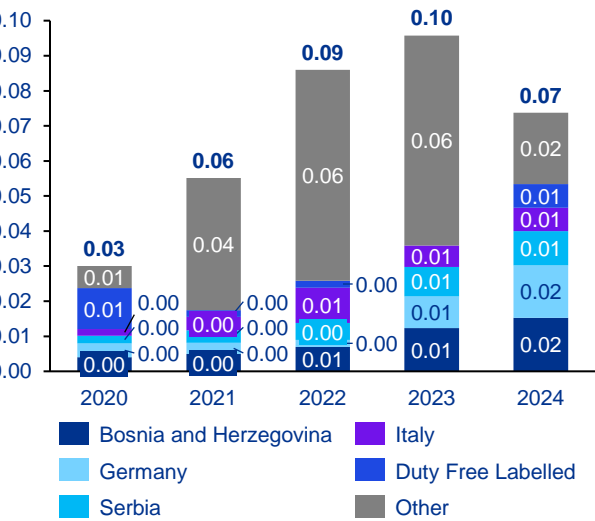


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown

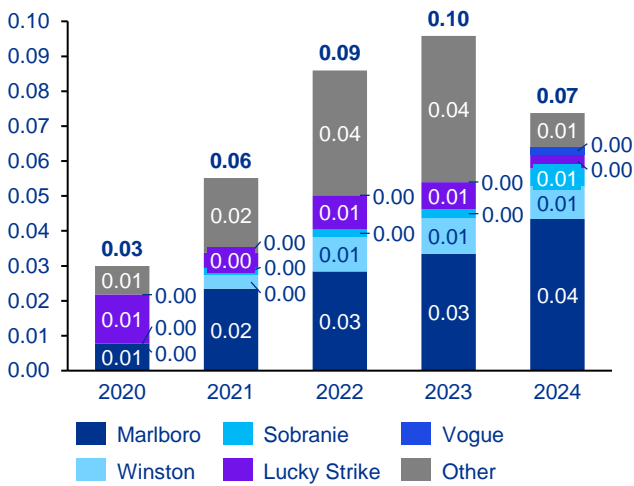
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

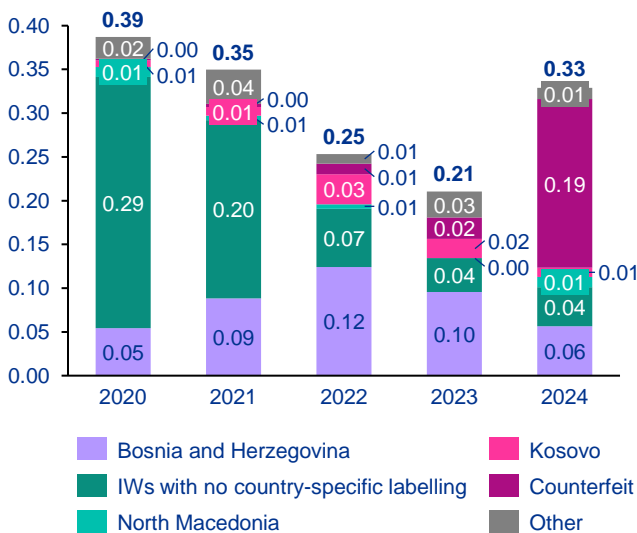


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

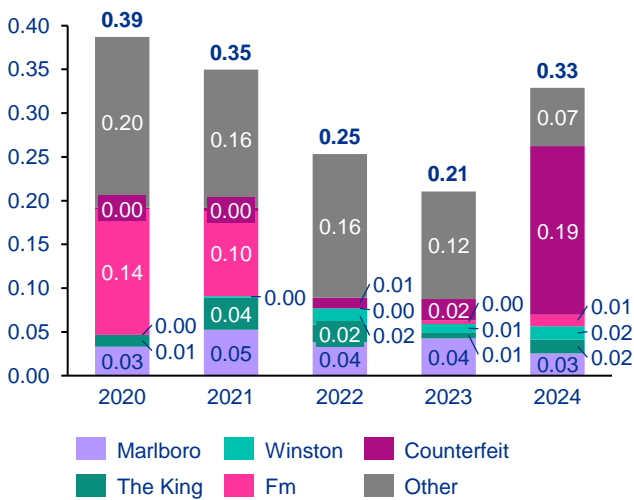


- Legal inflows (ND(L)) decreased by 23% in 2024, driven by a decline in legal inflows from smaller markets grouped together within 'Other'
- Illicit inflows (C&C) increased by 56% driven by an increase in Counterfeit, while illicit inflows from Bosnia and Herzegovina declined

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024



Cyprus



0.9bn

Cigarettes consumed

-0.05bn
on 2023

0.1bn

C&C cigarettes consumed

+0.03bn
on 2023

14.3%

Of total consumption was C&C^(c)+3.29ppts
on 2023

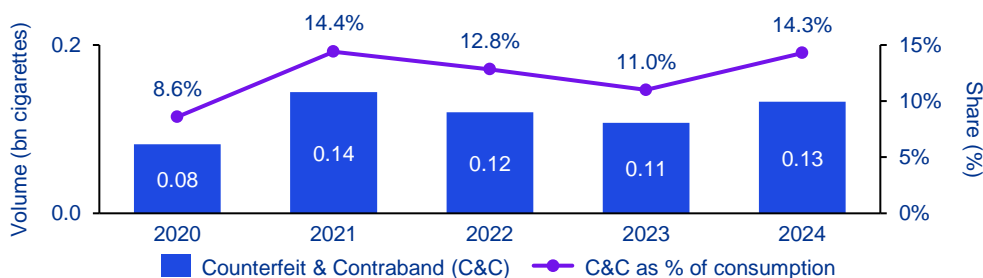
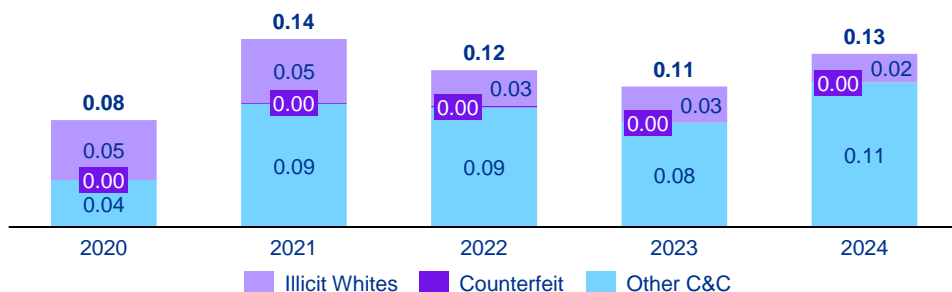
€22m

Total tax revenue lost from C&C^(b)+€4m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total consumption increased by 3.3ppts to 14.3% in 2024
- This increase was driven by Other C&C, partially offset by a decline in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024^{(1)(2)(a)}

Total Cyprus Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	0.91	0.86	0.86	0.86	0.89	4%
Outflows	(0.04)	(0.02)	(0.06)	(0.06)	(0.18)	196%
Legal Domestic Consumption (LDC)	0.86	0.85	0.80	0.80	0.71	(11%)
Non-Domestic Legal (ND(L))	0.01	0.01	0.02	0.08	0.09	12%
Counterfeit and Contraband (C&C)	0.08	0.14	0.12	0.11	0.13	23%
Total Non-Domestic	0.09	0.16	0.14	0.18	0.22	19%
Total Consumption	0.95	1.00	0.94	0.98	0.93	(5%)

- Total cigarette consumption decreased by 5% in 2024, primarily due to increased outflows from Cyprus
- Non-Domestic inflows increased by 19%, driven by inflows from Non-government-controlled areas of Cyprus
 - In 2023 and 2024, traveller data was made available to estimate legal flows between Cyprus and the Non-government-controlled areas of Cyprus. As a result, the ND(L) and C&C flows for 2023 and 2024 are not comparable with historical figures
- Outflows increased in 2024, driven by higher flows to UK and smaller destination markets within 'Other'

Total inflows by country of origin – 2020-2024^{(1)(b)}

Inflows to Cyprus					
Billion cigarettes	2020	2021	2022	2023	2024
Non-government-controlled areas	0.02	0.06	0.08	0.12	0.15
Duty Free Labelled	0.01	0.04	0.03	0.04	0.04
Other	0.05	0.06	0.03	0.03	0.02
Total Inflows	0.09	0.16	0.14	0.18	0.22

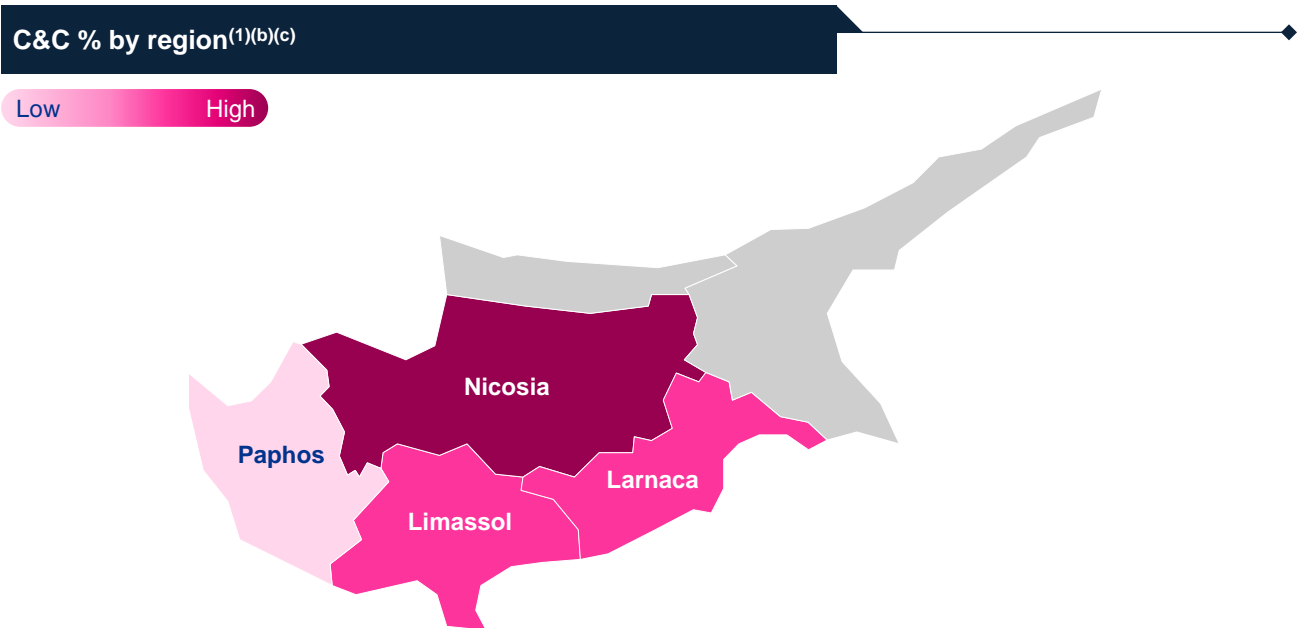
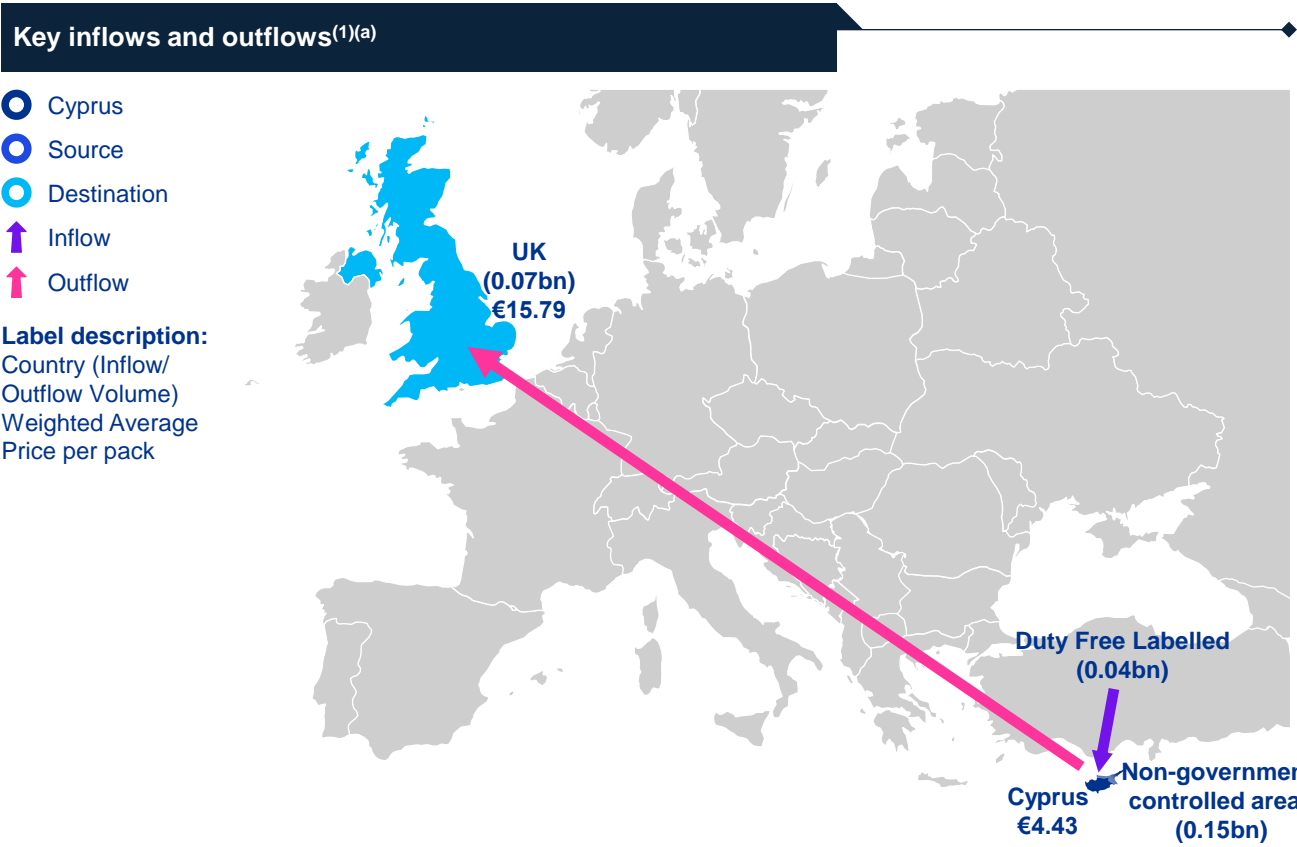
Total outflows by destination – 2020-2024^{(1)(b)}

Outflows from Cyprus					
Billion cigarettes	2020	2021	2022	2023	2024
UK	(0.03)	(0.00)	(0.04)	(0.03)	(0.07)
Other	(0.01)	(0.01)	(0.02)	(0.03)	(0.10)
Total Outflows	(0.04)	(0.02)	(0.06)	(0.06)	(0.18)

Note: (a) ND(L) and C&C flows for 2023 and 2024 are not comparable with historical figures. 2023 was the first year where traveller flows between Cyprus and the Non-government-controlled areas of Cyprus was available, with these traveller flows used to calculate an ND(L) vs C&C split for Non-Domestic inflows from the Non-government-controlled areas (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns



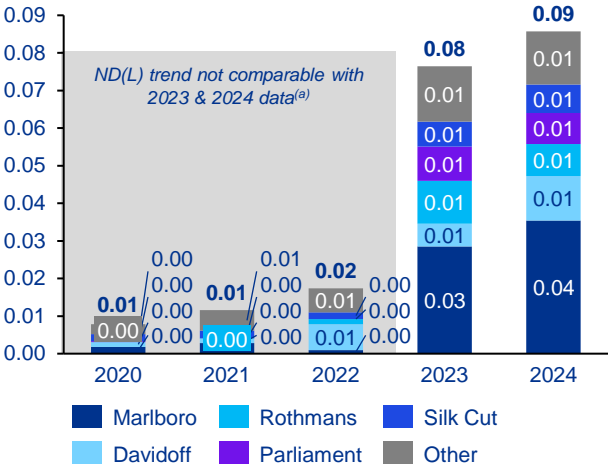
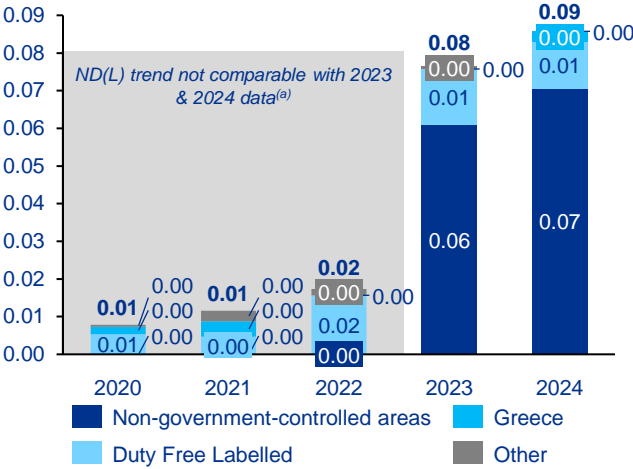
Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

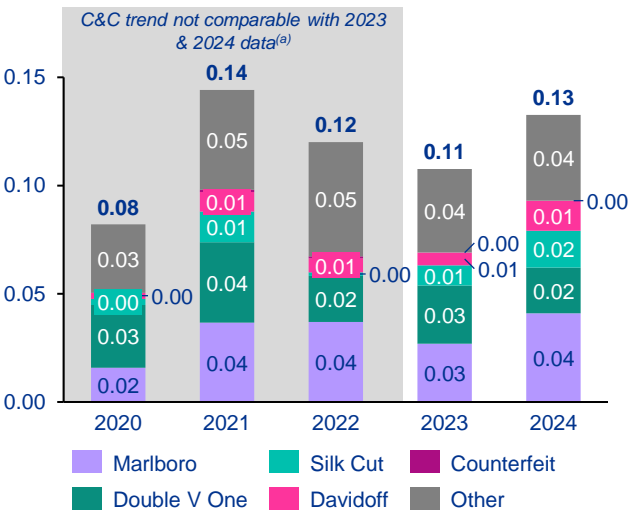
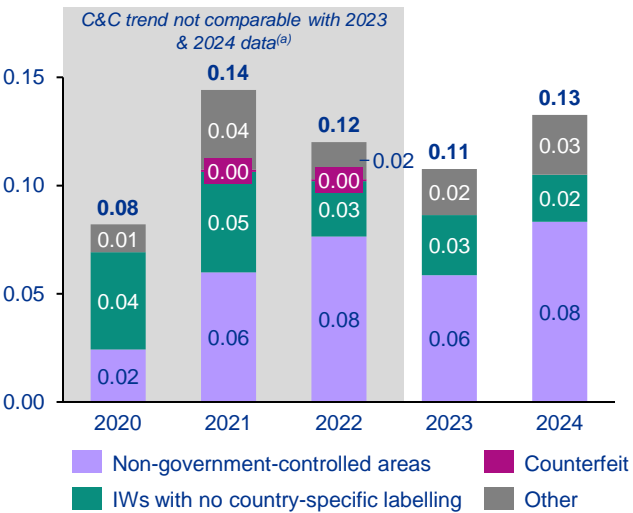
ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



- Legal flows (ND(L)) increased by 12% in 2024. Flows from Non-government-controlled areas of Cyprus constituted ~78% of total legal inflows to Cyprus in 2024^(a)
- Illicit flows (C&C) increased by 23%. The Non-government-controlled areas remained the largest source of C&C

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}

C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



Note: (a) ND(L) and C&C flows for 2023 and 2024 are not comparable with historical figures. 2023 was the first year where traveller flows between Cyprus and the Non-government-controlled areas of Cyprus were available, with these traveller flows used to calculate an ND(L) vs C&C split for Non-Domestic inflows from the Non-government-controlled areas (b) Only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024;



Czech Republic



12.2bn

Cigarettes
consumed-0.59bn
on 2023

1.0bn

C&C cigarettes
consumed+0.25bn
on 2023

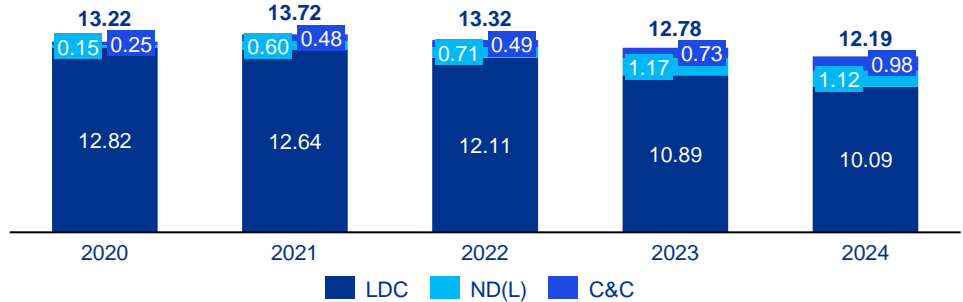
8.1%

Of total consumption
was C&C+2.36ppt
on 2023

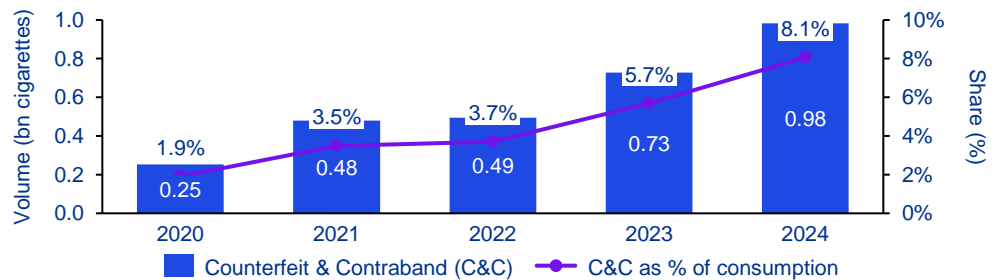
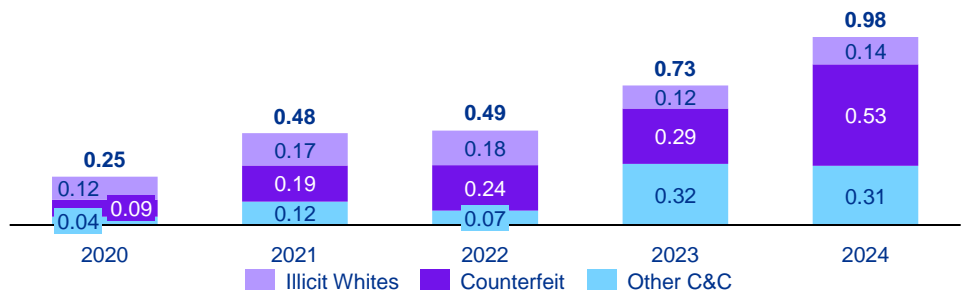
€213m

Total tax revenue
lost from C&C^(b)+€60m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total consumption increased by 2.4ppts to 8.1% in 2024, primarily driven by increase in Counterfeit

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Czech Republic Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	16.97	15.20	14.45	12.77	11.97	(6%)
Outflows	(4.15)	(2.56)	(2.34)	(1.89)	(1.89)	0%
Legal Domestic Consumption (LDC)	12.82	12.64	12.11	10.89	10.09	(7%)
Non-Domestic Legal (ND(L))	0.15	0.60	0.71	1.17	1.12	(4%)
Counterfeit and Contraband (C&C)	0.25	0.48	0.49	0.73	0.98	35%
Total Non-Domestic	0.40	1.08	1.21	1.89	2.10	11%
Total Consumption	13.22	13.72	13.32	12.78	12.19	(5%)

- Total cigarette consumption decreased by 5% in 2024, driven by a decline in Legal Domestic Sales, partially offset by an increase in Non-Domestic inflows
- Increased Non-Domestic inflows were primarily driven by ongoing increased inflows from Poland and Counterfeit. However, there was also a decline in inflows from smaller source markets grouped together within ‘Other’
- Outflows remained stable in 2024, with Germany continuing to be the major destination market for Czech outflows

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Czech Republic					
Billion cigarettes	2020	2021	2022	2023	2024
Poland	0.02	0.21	0.47	0.95	1.06
Counterfeit	0.09	0.19	0.24	0.29	0.53
Duty Free Labelled	0.03	0.04	0.05	0.08	0.07
Belarus	0.06	0.06	0.06	0.03	0.07
Other	0.21	0.57	0.39	0.55	0.37
Total Inflows	0.40	1.08	1.21	1.89	2.10

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Czech Republic					
Billion cigarettes	2020	2021	2022	2023	2024
Germany	(3.68)	(2.31)	(2.15)	(1.69)	(1.73)
Other	(0.48)	(0.25)	(0.20)	(0.19)	(0.15)
Total Outflows	(4.15)	(2.56)	(2.34)	(1.89)	(1.89)

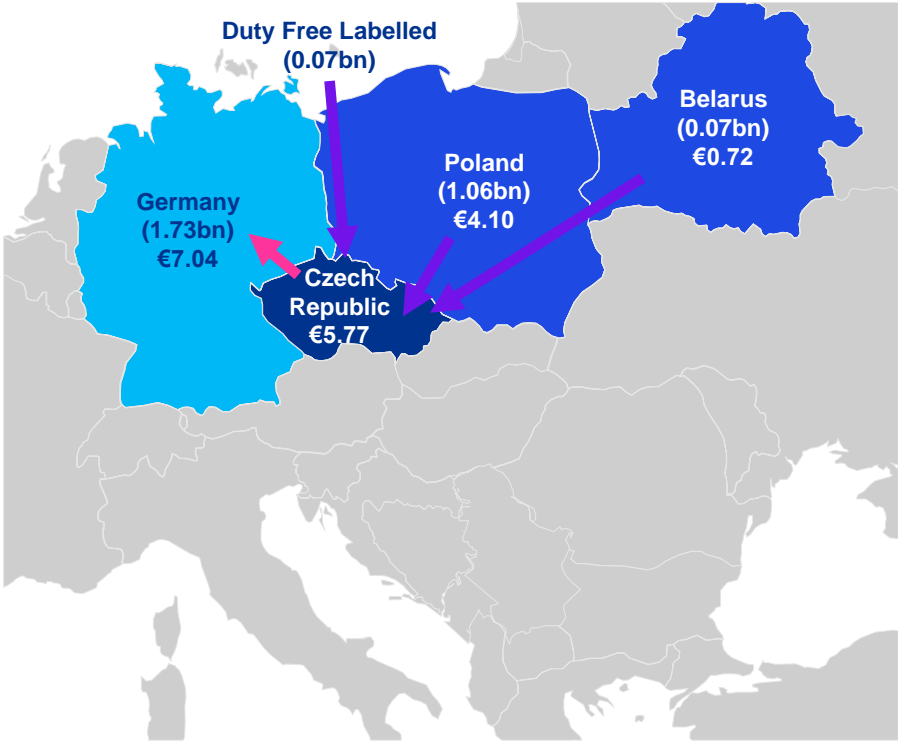
Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

- Czech Republic
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

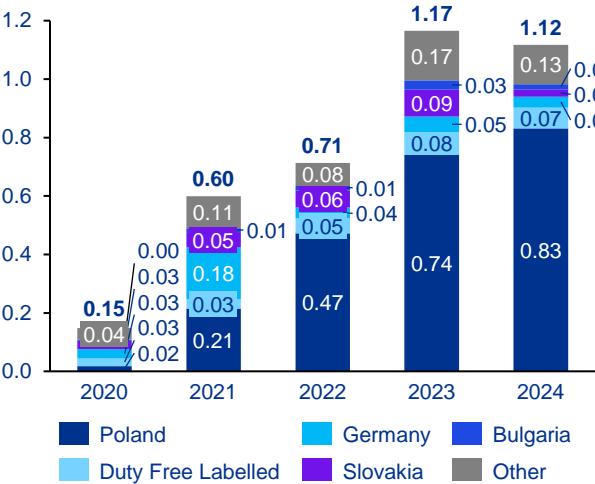


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

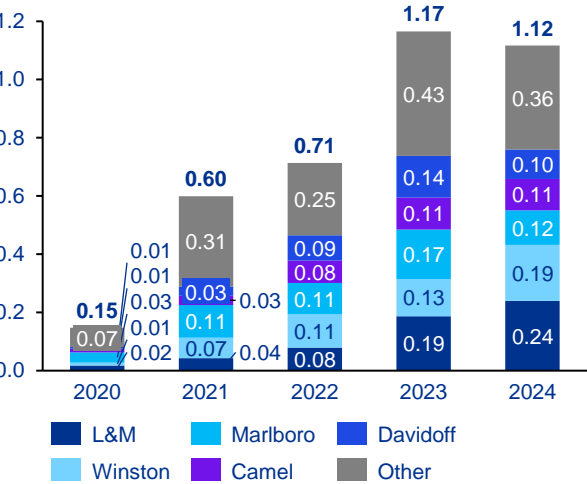
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

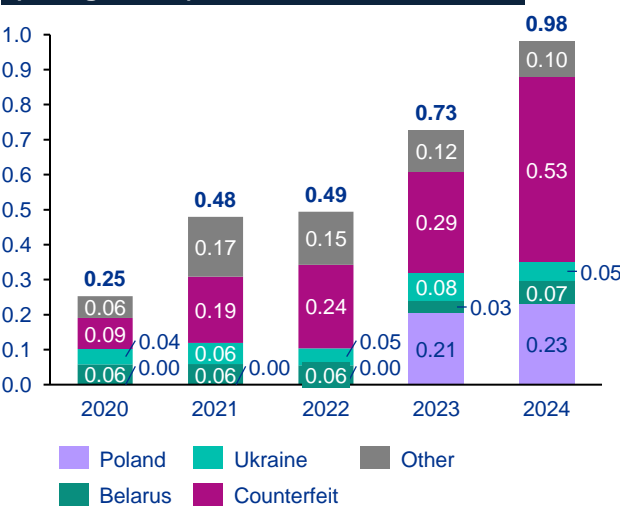


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

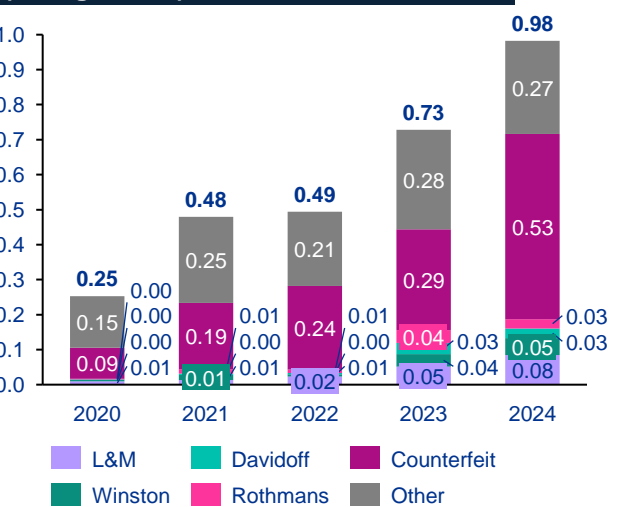


- Legal inflows (ND(L)) decreased by 4% in 2024, with a decrease in legal flows from Slovakia and ‘Other’ smaller markets, partially offset by an increase in legal Polish flows
- Illicit inflows (C&C) increased by 35%, primarily due to an increase in Counterfeit volumes
- In 2024, Marlboro was the largest counterfeited cigarette brand, accounting for 0.24bn Counterfeit cigarettes (45% of total Counterfeit). Rothmans and Richmond followed, with 0.17bn and 0.09bn counterfeit cigarettes respectively

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

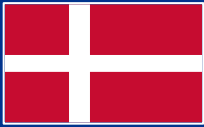


C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;

Denmark



C&C cigarette consumption and total consumption

4.0bn

Cigarettes consumed



-0.58bn
on 2023

0.3bn

C&C cigarettes consumed



-0.15bn
on 2023

7.1%

Of total consumption was C&C



-2.31ppt on
2023

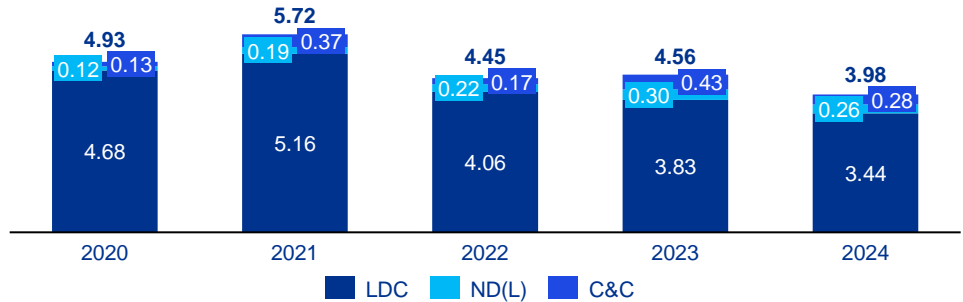
€97m

Total tax revenue lost from C&C^(b)
(DKK 723m)⁽³⁾



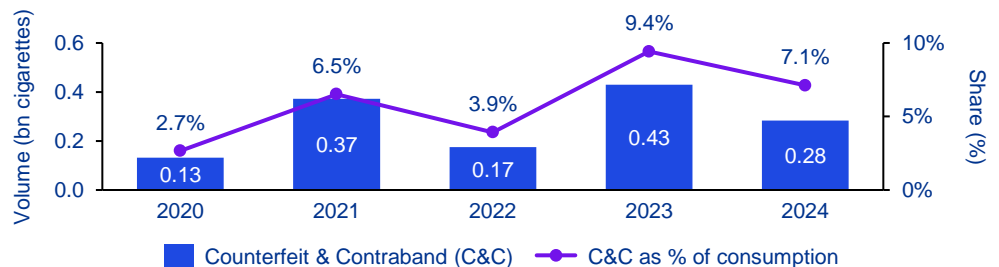
-€51m
on 2023

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

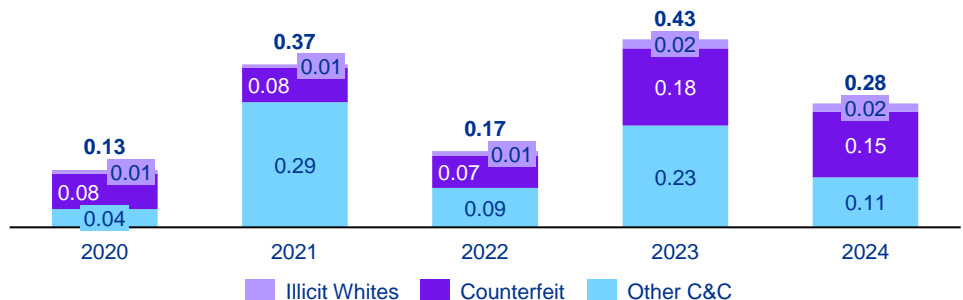


— C&C as a share of total consumption decreased by 2.3ppts to 7.1% in 2024, driven by decline in both Counterfeit and Other C&C

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}



Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) EUR 1 = DKK 7.457, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Denmark Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	4.75	5.20	4.13	3.91	3.61	(8%)
Outflows	(0.07)	(0.04)	(0.06)	(0.08)	(0.17)	108%
Legal Domestic Consumption (LDC)	4.68	5.16	4.06	3.83	3.44	(10%)
Non-Domestic Legal (ND(L))	0.12	0.19	0.22	0.30	0.26	(15%)
Counterfeit and Contraband (C&C)	0.13	0.37	0.17	0.43	0.28	(34%)
Total Non-Domestic	0.25	0.56	0.39	0.73	0.54	(26%)
Total Consumption	4.93	5.72	4.45	4.56	3.98	(13%)

- Total cigarette consumption decreased by 13% in 2024, with a decline in both Legal Domestic Consumption and Non-Domestic inflows
- Non-Domestic inflows decreased, with declining flows from all major source markets, as well as from smaller source markets included within 'Other'
- Outflows from Denmark increased to 0.17bn cigarettes in 2024, with higher outflows to all major destination markets

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Denmark					
Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.08	0.08	0.07	0.18	0.15
Poland	0.03	0.08	0.05	0.11	0.10
Sweden	0.03	0.07	0.05	0.10	0.07
Duty Free Labelled	0.04	0.06	0.04	0.07	0.07
Germany	0.01	0.05	0.02	0.04	0.02
Other	0.06	0.23	0.16	0.24	0.13
Total Inflows	0.25	0.56	0.39	0.73	0.54

Total outflows by destination – 2020-2024^{(1)(a)}

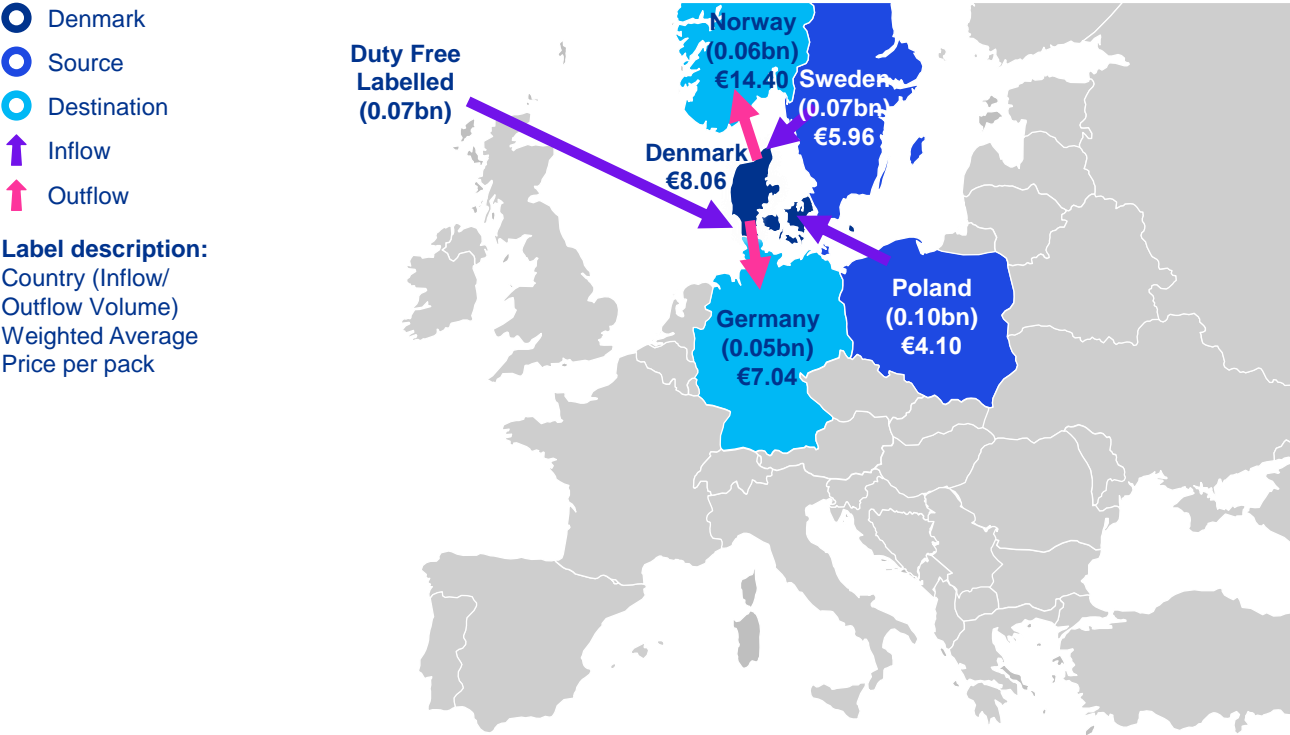
Outflows from Denmark					
Billion cigarettes	2020	2021	2022	2023	2024
Norway	(0.00)	(0.01)	(0.01)	(0.01)	(0.06)
Germany	(0.02)	(0.01)	(0.01)	(0.03)	(0.05)
Sweden	(0.01)	(0.01)	(0.02)	(0.01)	(0.04)
Other	(0.04)	(0.02)	(0.03)	(0.03)	(0.03)
Total Outflows	(0.07)	(0.04)	(0.06)	(0.08)	(0.17)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

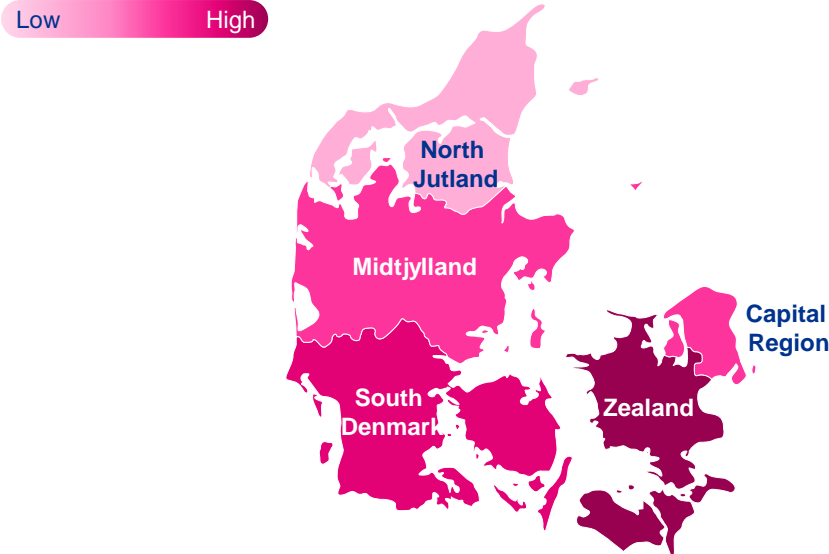
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

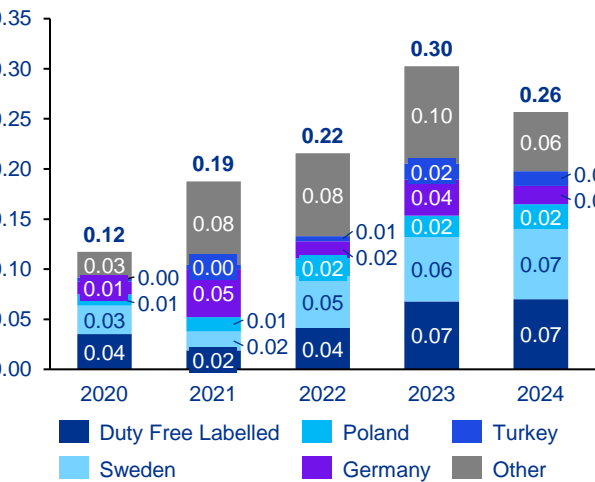


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

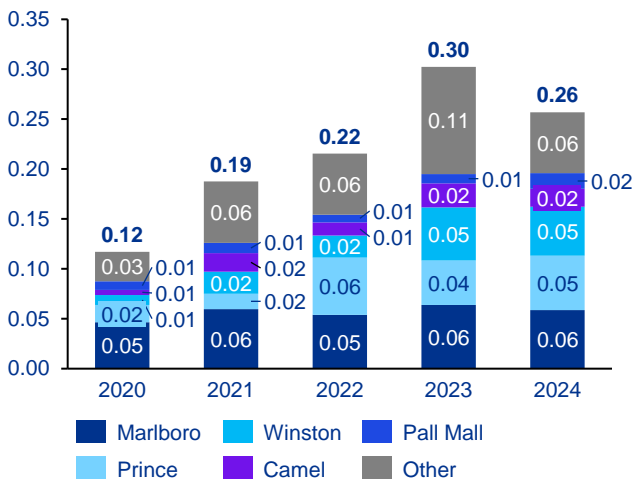
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

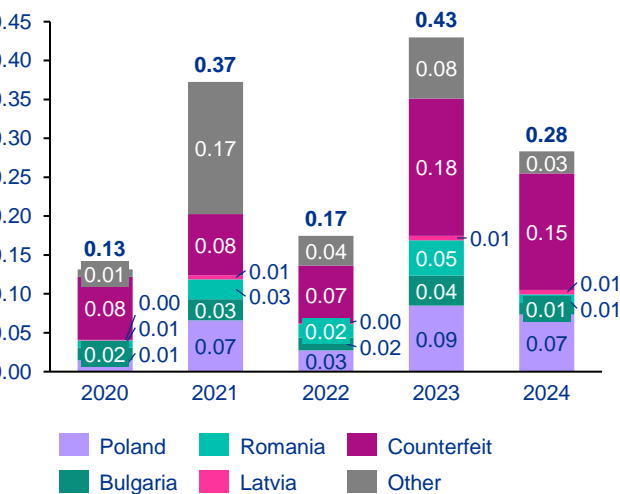


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

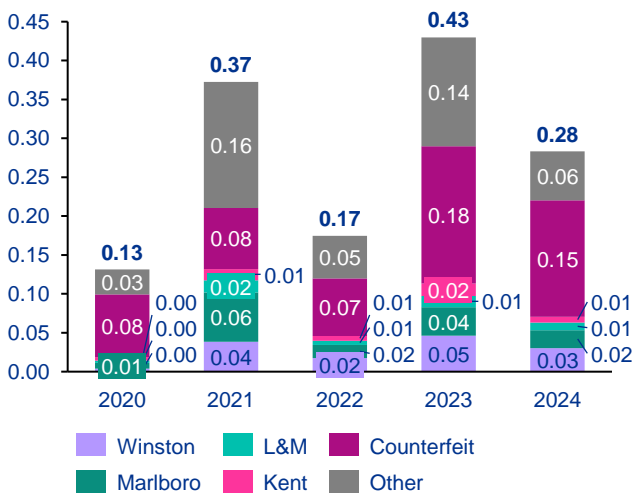


- Legal inflows (ND(L)) decreased by 15% in 2024, primarily driven by a decrease in legal flows from Germany and smaller markets grouped together within ‘Other’
- Illicit flows (C&C) decreased by 35% in 2024, with reduced illicit flows from major sources apart from Latvia, as well as reduced illicit flows from smaller source markets included within ‘Other’

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Estonia



1.1bn

Cigarettes consumed

-0.20bn
on 2023

0.1bn

C&C cigarettes consumed

-0.07bn
on 2023

6.5%

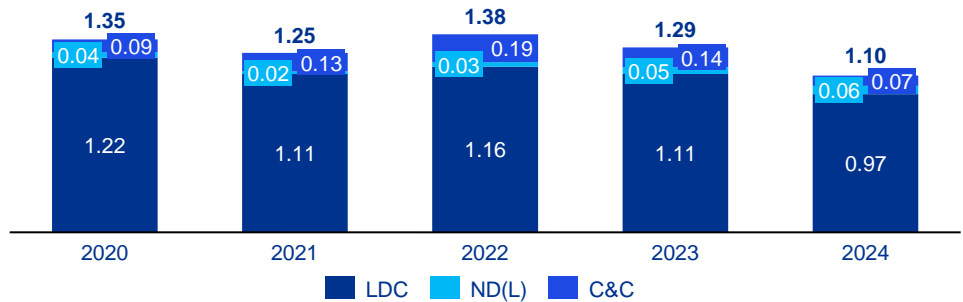
Of total consumption was C&C

-4.23ppts
on 2023

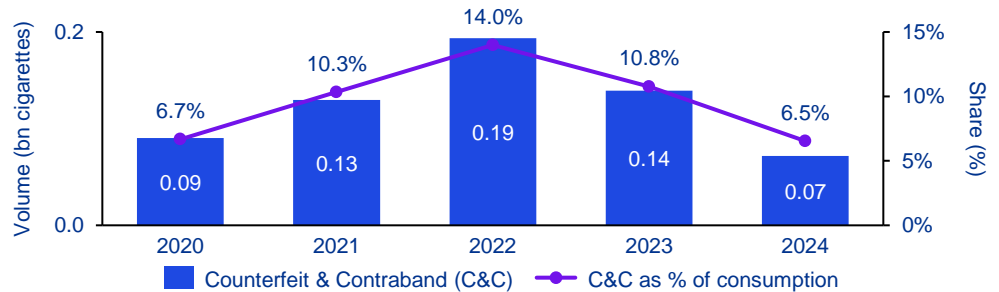
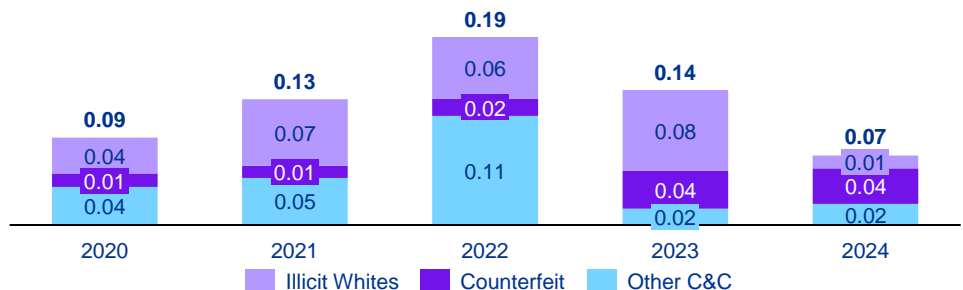
€16m

Total tax revenue lost from C&C^(b)-€13m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total consumption decreased by 4.3ppts in 2024 to 6.5%; the lowest levels observed during the reporting period, driven by a decline in Illicit Whites volumes

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Estonia Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	1.46	1.42	1.39	1.32	1.23	(7%)
Outflows	(0.24)	(0.32)	(0.23)	(0.21)	(0.26)	25%
Legal Domestic Consumption (LDC)	1.22	1.11	1.16	1.11	0.97	(13%)
Non-Domestic Legal (ND(L))	0.04	0.02	0.03	0.05	0.06	27%
Counterfeit and Contraband (C&C)	0.09	0.13	0.19	0.14	0.07	(49%)
Total Non-Domestic	0.13	0.15	0.23	0.18	0.13	(30%)
Total Consumption	1.35	1.25	1.38	1.29	1.10	(15%)

- Total cigarette consumption decreased by 15% in 2024, driven by a decline in both Legal Domestic Sales and Non-Domestic inflows
- Non-Domestic inflows decreased by 30% in 2024, driven by a decline in flows from Belarus. Inflows from Belarus reached the lowest levels seen during the reporting period
- Finland remained the largest destination for outflows of cigarettes from Estonia

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Estonia					
Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.01	0.01	0.02	0.04	0.04
Duty Free Labelled	0.03	0.01	0.03	0.03	0.03
Belarus	0.02	0.06	0.05	0.08	0.01
Latvia	0.02	0.01	0.01	0.01	0.01
Other	0.04	0.06	0.12	0.03	0.03
Total Inflows	0.13	0.15	0.23	0.18	0.13

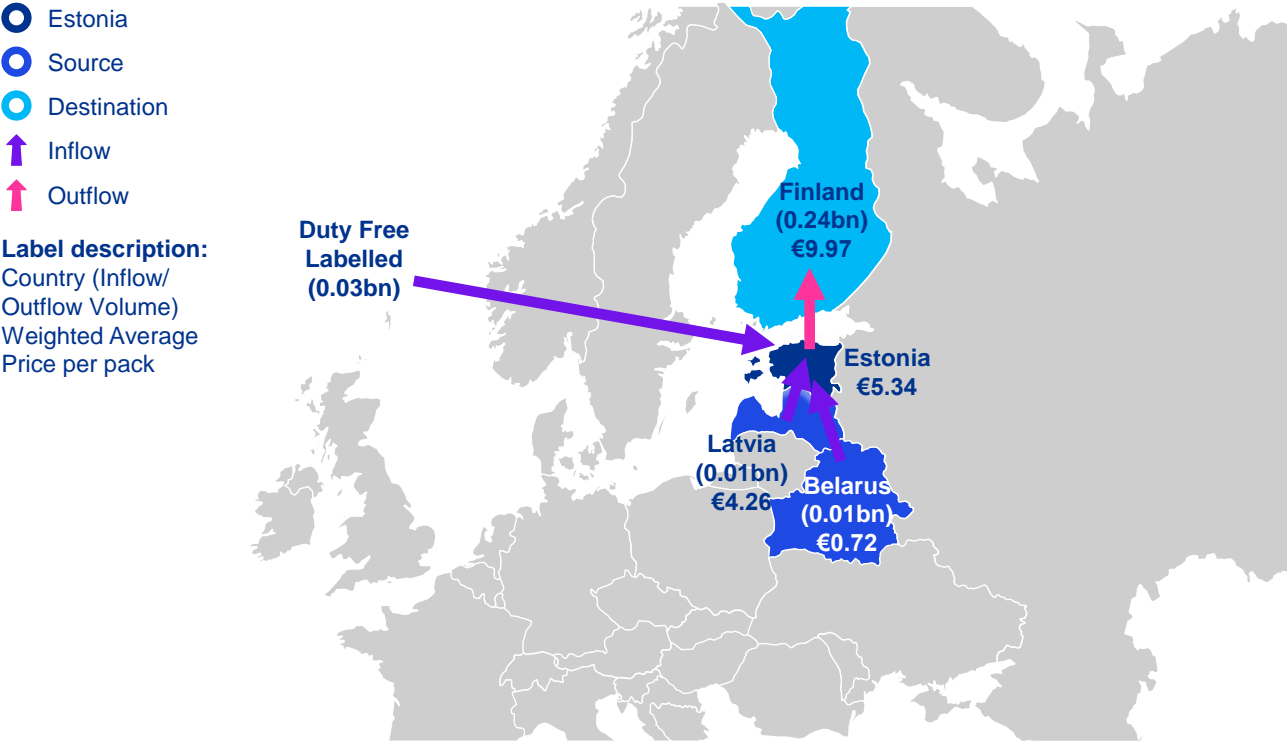
Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Estonia					
Billion cigarettes	2020	2021	2022	2023	2024
Finland	(0.21)	(0.30)	(0.22)	(0.19)	(0.24)
Other	(0.03)	(0.01)	(0.01)	(0.01)	(0.02)
Total Outflows	(0.24)	(0.32)	(0.23)	(0.21)	(0.26)

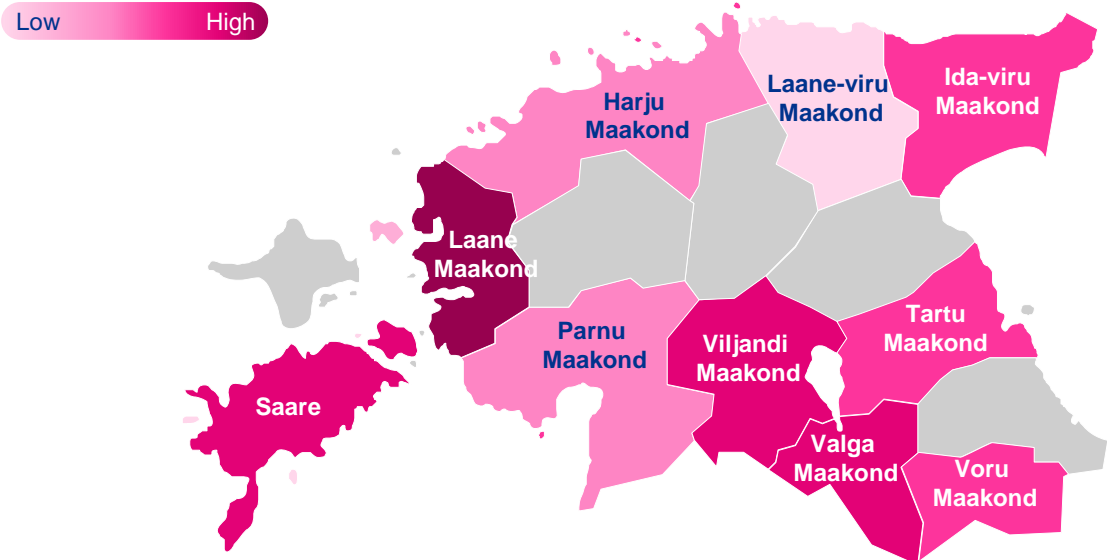
Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

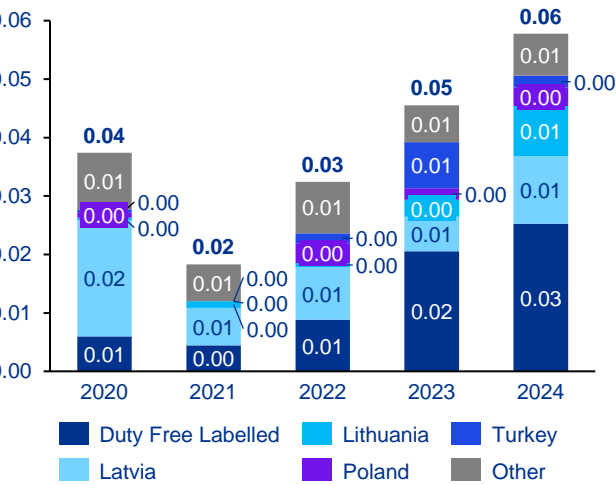


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

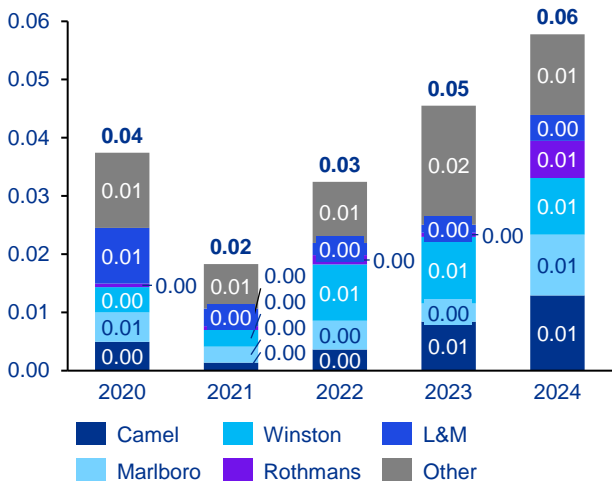
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

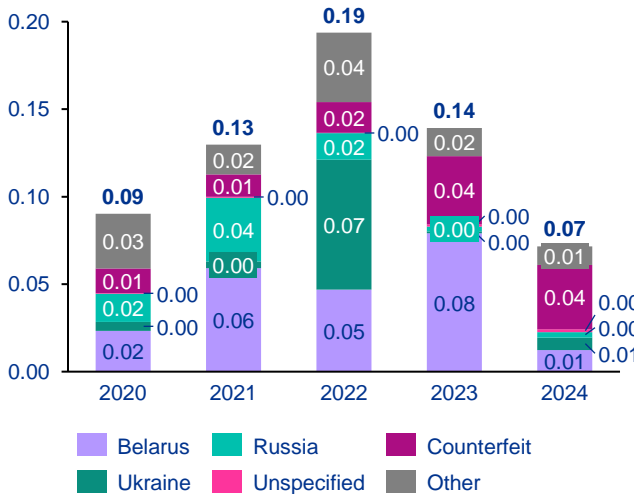


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

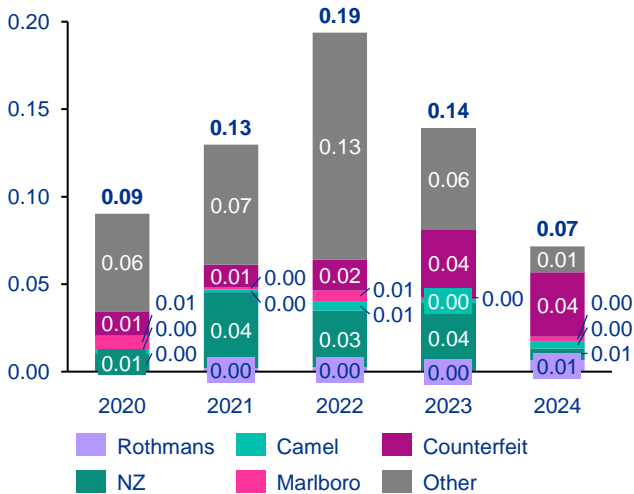


- Legal inflows (ND(L)) grew by 27% in 2024
- Illicit inflows (C&C) declined in 2024, reaching the lowest levels observed during the reporting period, driven by reduced illicit flows from Belarus

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024



Finland



3.1bn

Cigarettes consumed

-0.15bn
on 2023

0.6bn

C&C cigarettes consumed

+0.11bn
on 2023

19.5%

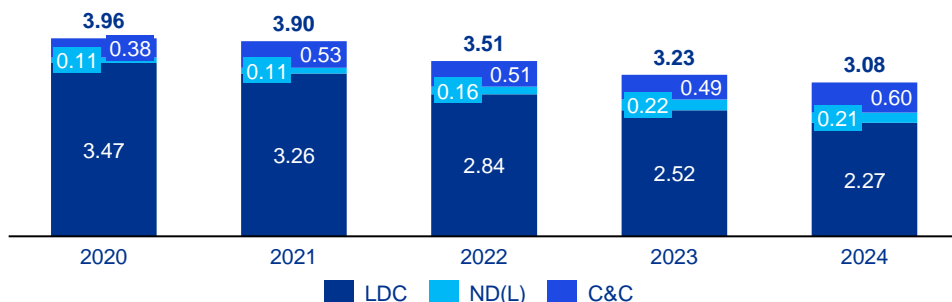
Of total consumption was C&C

+4.35pts
on 2023

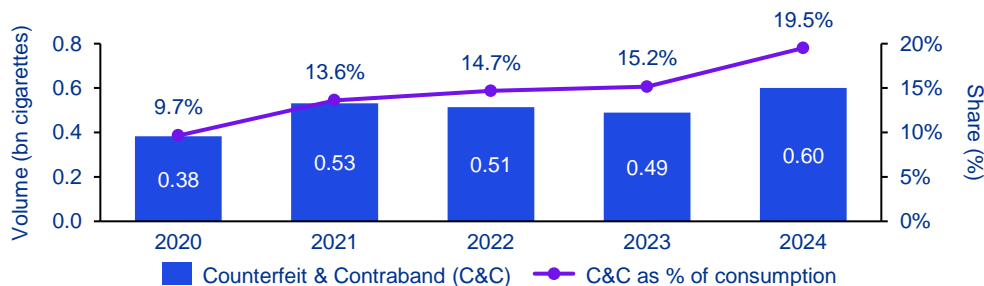
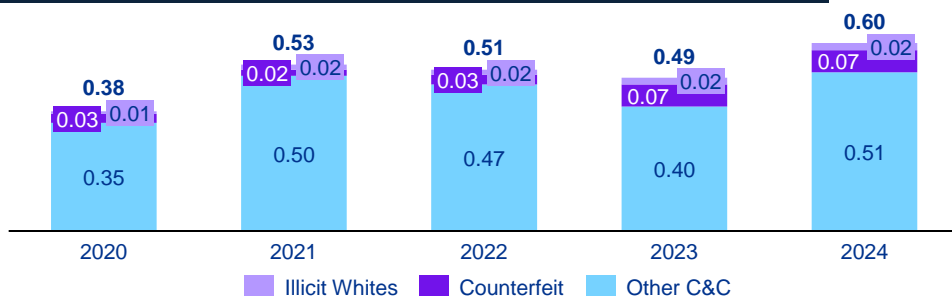
€223m

Total tax revenue lost from C&C^(b)+€13m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total consumption and C&C volumes increased in 2024, reaching the highest levels observed during the reporting period
- The increase in illicit volumes was driven by an increase in Other C&C. The other components of illicit consumption remained stable

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Finland Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	3.48	3.26	2.85	2.54	2.28	(10%)
Outflows	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)	7%
Legal Domestic Consumption (LDC)	3.47	3.26	2.84	2.52	2.27	(10%)
Non-Domestic Legal (ND(L))	0.11	0.11	0.16	0.22	0.21	(4%)
Counterfeit and Contraband (C&C)	0.38	0.53	0.51	0.49	0.60	23%
Total Non-Domestic	0.49	0.64	0.67	0.71	0.81	15%
Total Consumption	3.96	3.90	3.51	3.23	3.08	(5%)

- Total consumption decreased by 5% in 2024, driven by a decline in Legal Domestic Sales, partially offset by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 15%, reaching the highest level observed during the reporting period, primarily driven by higher flows from Estonia, Duty Free Labelled and ‘Other’ smaller markets
- Estonia and Duty Free remained the largest sources of Finnish Non-Domestic inflows
- Outflows from Finland remained relatively low

Total inflows by country of origin – 2020-2024^{(1)(a)}

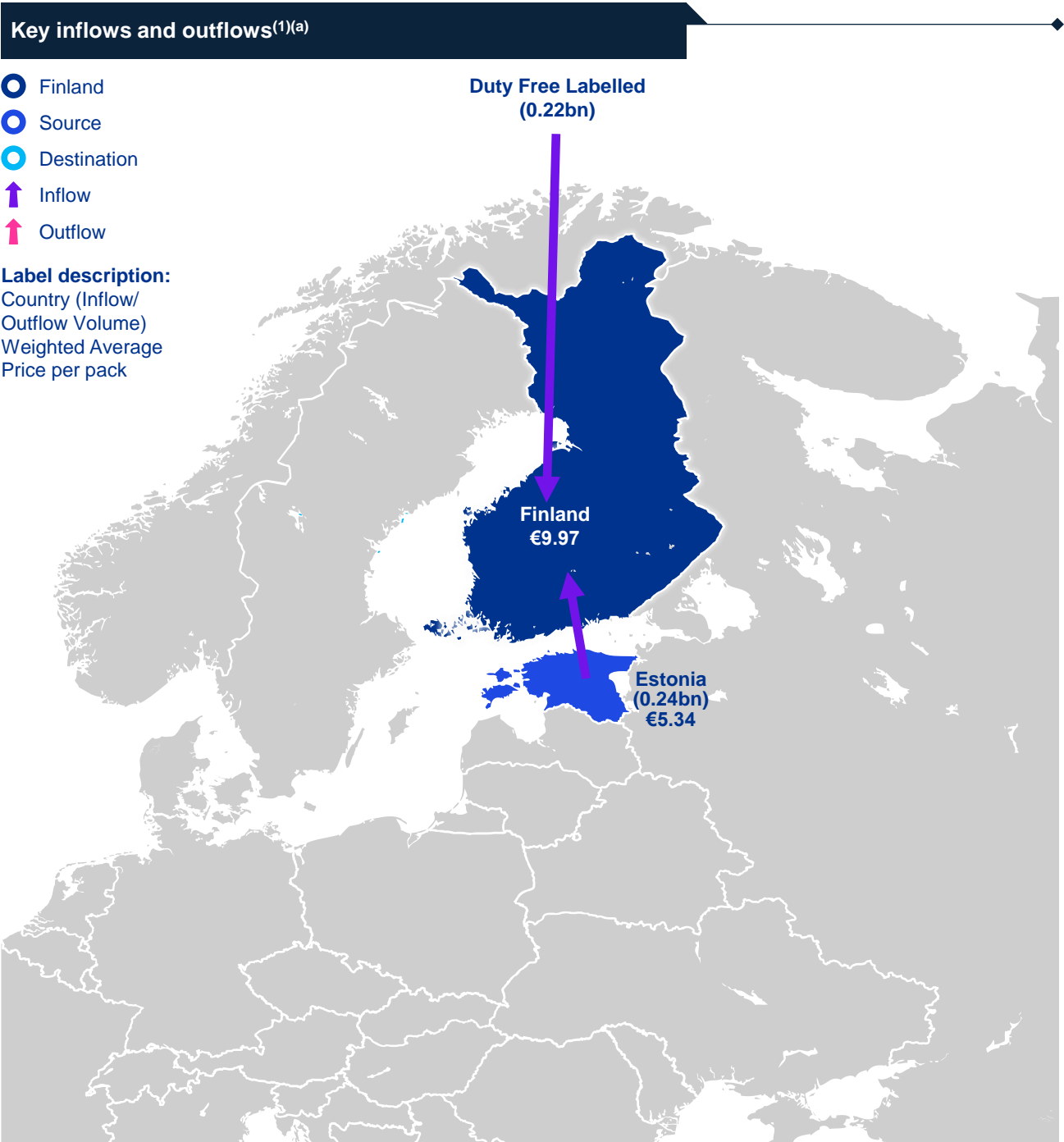
Inflows to Finland					
Billion cigarettes	2020	2021	2022	2023	2024
Estonia	0.21	0.30	0.22	0.19	0.24
Duty Free Labelled	0.13	0.16	0.17	0.17	0.22
Counterfeit	0.03	0.02	0.03	0.07	0.07
Other	0.12	0.16	0.25	0.27	0.29
Total Inflows	0.49	0.64	0.67	0.71	0.81

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Finland					
Billion cigarettes	2020	2021	2022	2023	2024
Other	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)
Total Outflows	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows

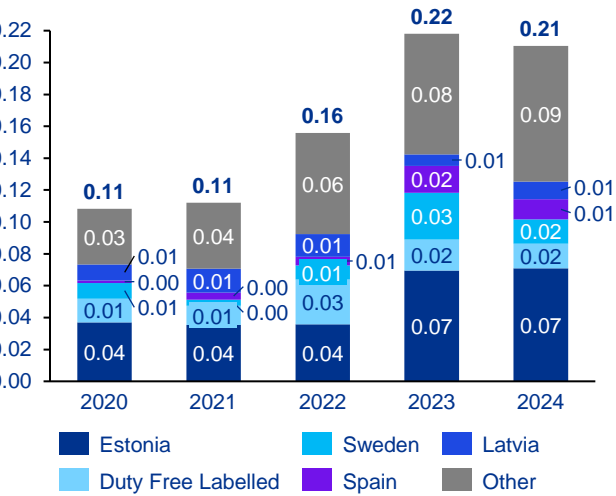


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown

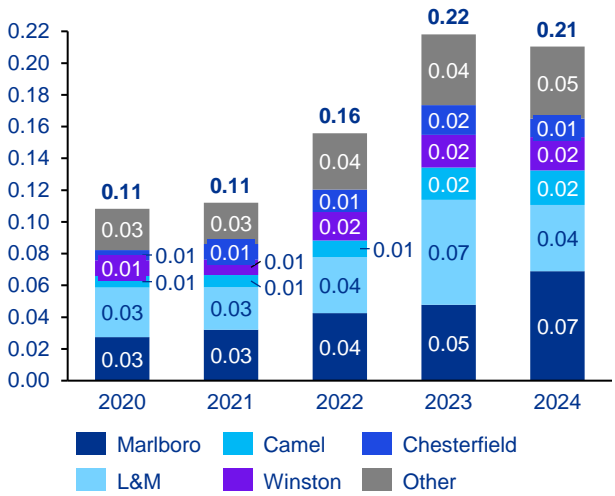
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

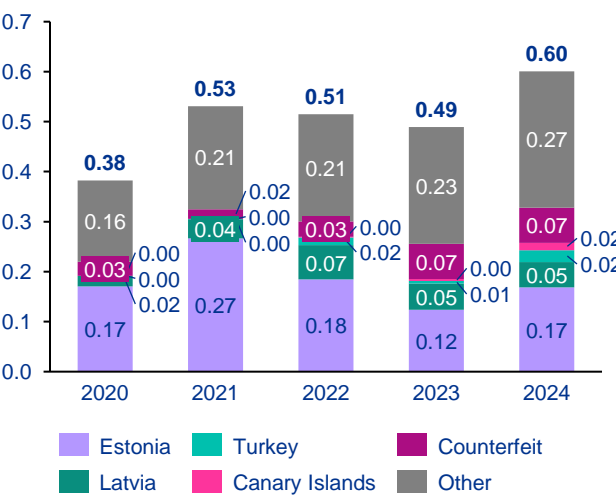


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

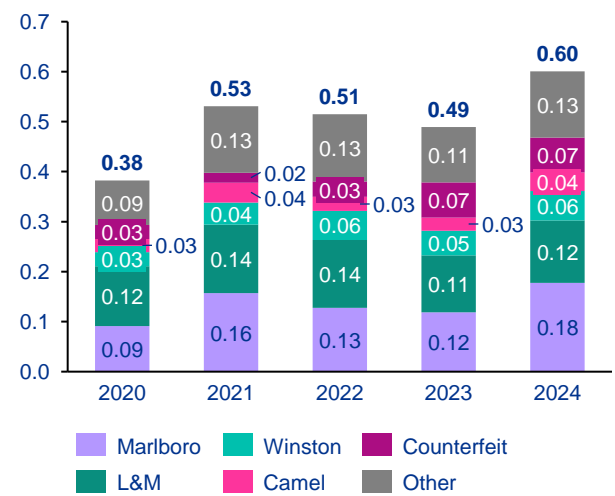


- Legal inflows (ND(L)) decreased marginally in 2024, after an increasing trend since 2021
- Illicit flows increased in 2024, reaching the highest volume seen during the reporting period, with the largest components of growth being Estonian and ‘Other’ smaller markets flows

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024

France



49.9bn

Cigarettes consumed

-0.68bn
on 2023

18.7bn

C&C cigarettes consumed

+1.95bn
on 2023

37.6%

Of total consumption was C&C

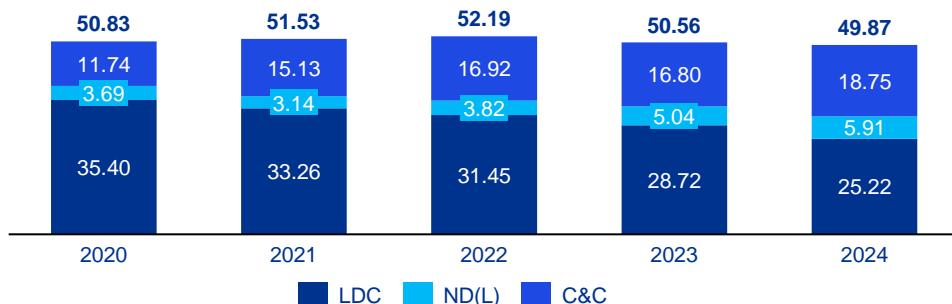
+4.37ppts
on 2023

€9,474m

Total tax revenue lost from C&C^(b)+€2,215m
on 2023

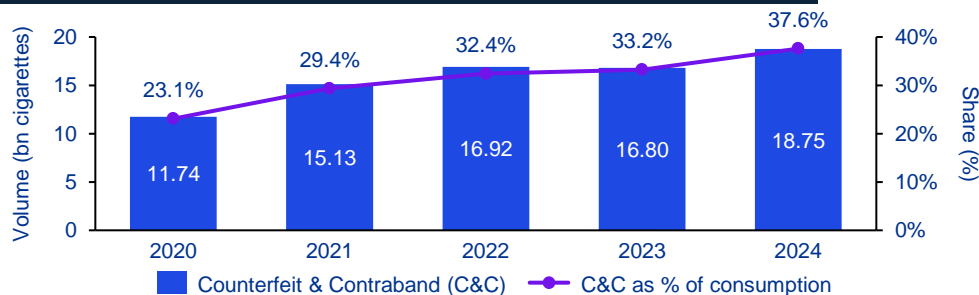
C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

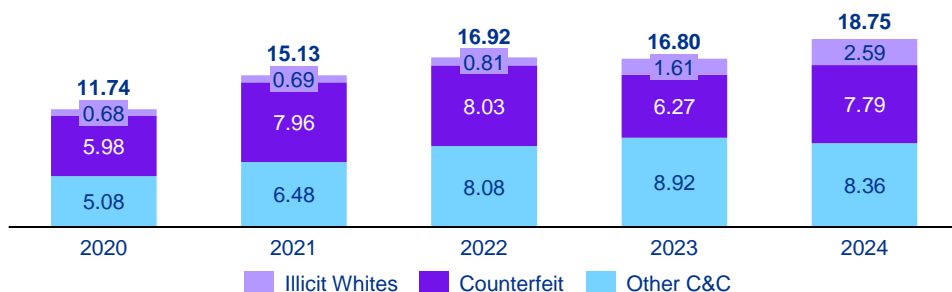


- C&C as a share of total consumption increased by 4.4ppts to 37.6% in 2024, the highest levels observed during the reporting period
- This increase in illicit consumption was driven by an increase in both Illicit Whites and Counterfeit

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}



Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total France Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	35.82	33.48	31.73	29.13	25.55	(12%)
Outflows	(0.42)	(0.22)	(0.28)	(0.41)	(0.33)	(19%)
Legal Domestic Consumption (LDC)	35.40	33.26	31.45	28.72	25.22	(12%)
Non-Domestic Legal (ND(L))	3.69	3.14	3.82	5.04	5.91	17%
Counterfeit and Contraband (C&C)	11.74	15.13	16.92	16.80	18.75	12%
Total Non-Domestic	15.44	18.27	20.74	21.84	24.66	13%
Total Consumption	50.83	51.53	52.19	50.56	49.87	(1%)

- Total cigarette consumption declined by 1% in 2024, driven by a decline in Legal Domestic Consumption which was partly offset by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 13% with an increase across all major sources, albeit with a decline in inflows from smaller source markets included within 'Other'
 - Legal inflows (ND(L)) increased by 17%, in the context of the application of new regulations regarding cross-border tobacco purchases from March 30, 2024, including an increase in intra-EU allowance limits from 200 to 800 cigarettes⁽³⁾
 - Illicit consumption (C&C) formed 76% of Non-Domestic inflows in 2024 (vs 76.9% in 2023), and Counterfeit remained the largest source at 15.6% of total cigarette consumption (vs 12.4% in 2023)
- Outflows decreased by 19% in 2024, primarily driven by declining flows to 'Other' smaller markets

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to France					
Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	5.98	7.96	8.03	6.27	7.79
Spain	2.77	2.56	2.62	3.23	3.36
IWs with no country-specific labelling	0.28	0.43	0.53	1.16	2.33
Algeria	0.44	0.32	1.06	1.45	1.94
Romania	0.29	0.31	0.53	0.99	1.14
Other	5.69	6.69	7.96	8.73	8.09
Total Inflows	15.44	18.27	20.74	21.84	24.66

Total outflows by destination – 2020-2024^{(1)(a)}

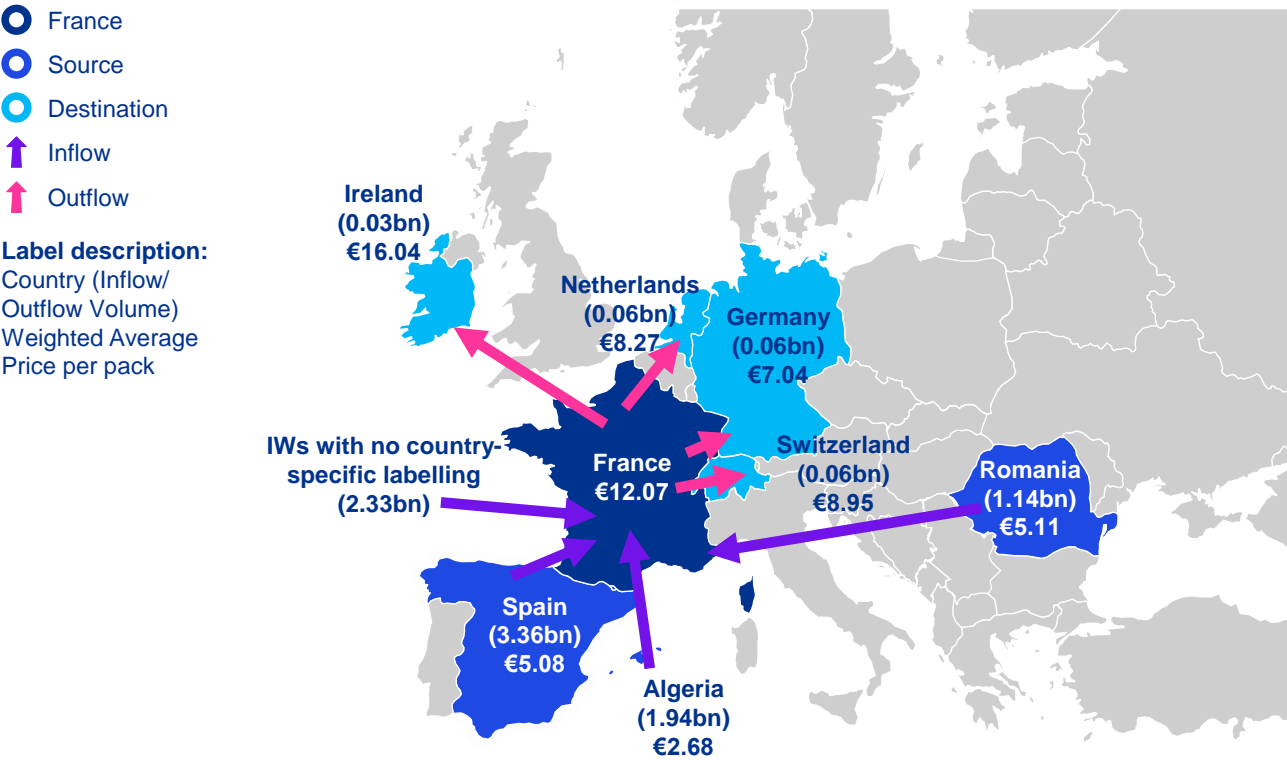
Outflows from France					
Billion cigarettes	2020	2021	2022	2023	2024
Netherlands	(0.16)	(0.04)	(0.04)	(0.05)	(0.06)
Germany	(0.06)	(0.05)	(0.05)	(0.06)	(0.06)
Switzerland	(0.06)	(0.07)	(0.05)	(0.05)	(0.06)
Ireland	(0.00)	(0.00)	(0.01)	(0.05)	(0.03)
Other	(0.14)	(0.07)	(0.14)	(0.21)	(0.12)
Total Outflows	(0.42)	(0.22)	(0.28)	(0.41)	(0.33)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

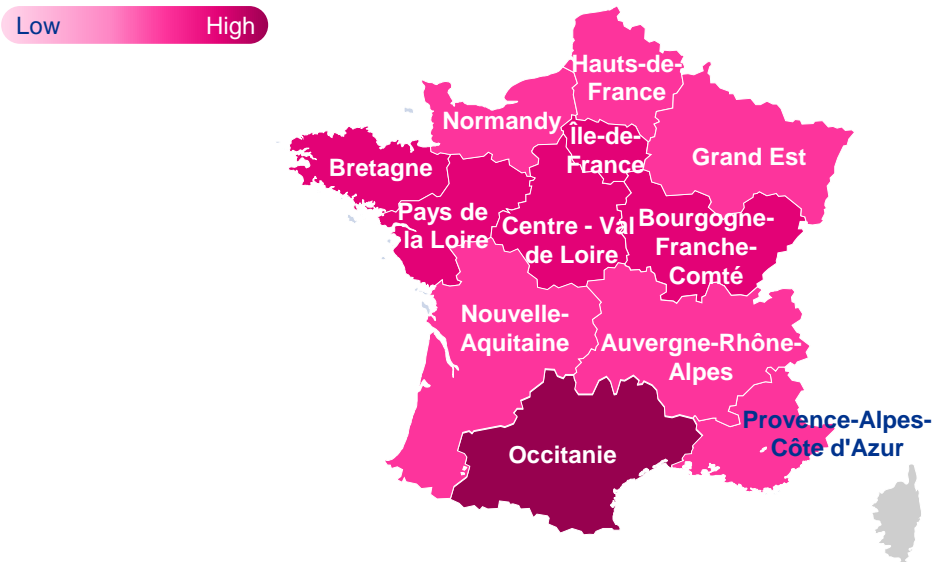
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) douane.gouv.fr

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

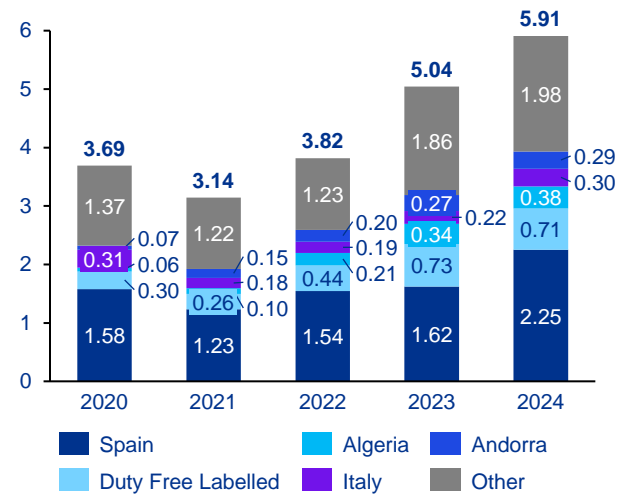


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

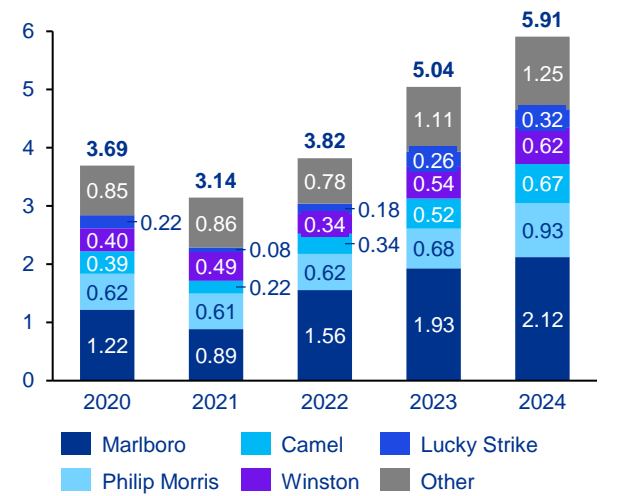
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

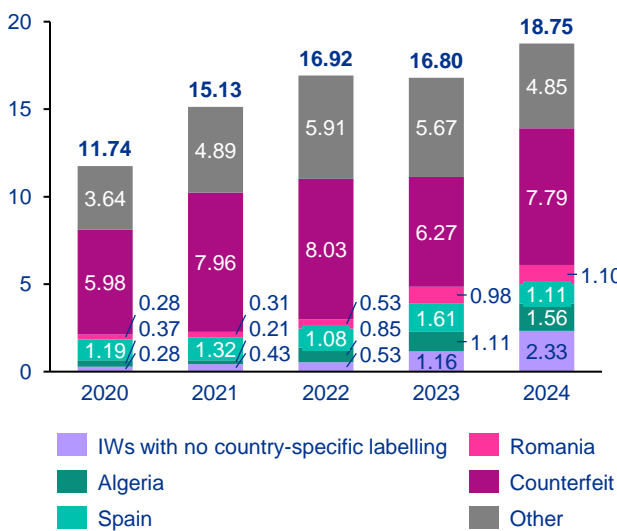


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

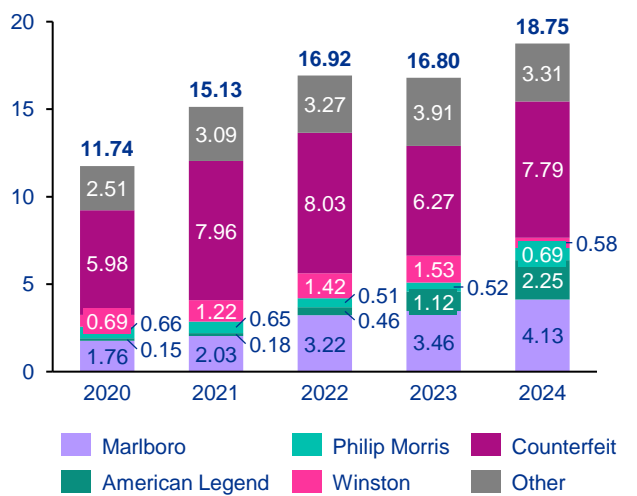


- Legal flows (ND(L)) continued their increasing trend in 2024, in the context of new regulations regarding cross-border tobacco purchases from March 30, 2024, including an increase in intra-EU allowance limits from 200 to 800 cigarettes⁽²⁾
- Illicit (C&C) inflows increased by 12% in 2024, primarily driven by increased Counterfeit, Algerian and Illicit Whites with no country-specific labelling flows. This was partly offset by declining flows from smaller markets grouped together within 'Other'

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) douane.gouv.fr

Germany



C&C cigarette consumption and total consumption

75.7bn

Cigarettes consumed



-0.27bn
on 2023

1.7bn

C&C cigarettes consumed



+0.06bn
on 2023

2.2%

Of total consumption was C&C



+0.08ppt
on 2023

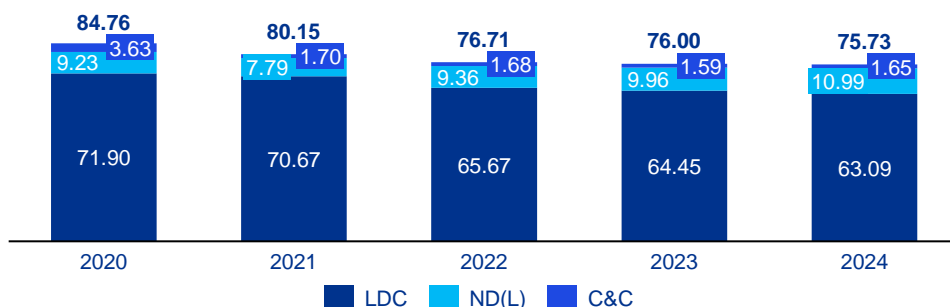
€401m

Total tax revenue lost from C&C^(b)



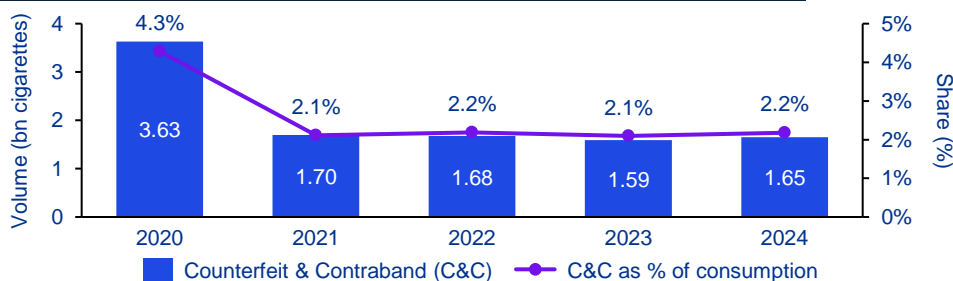
+€34m
on 2023

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

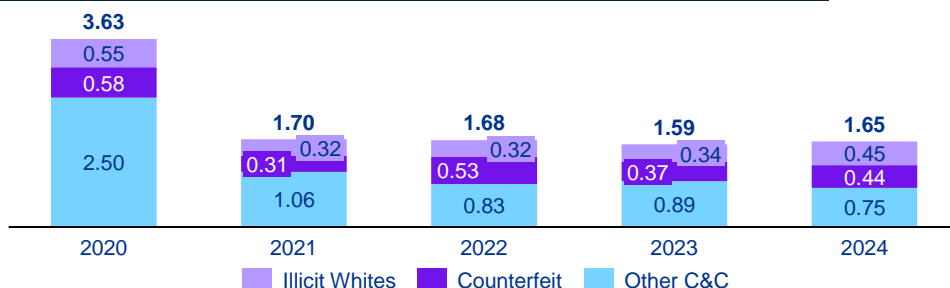


- C&C as a share of total cigarette consumption remained largely stable, with C&C volumes showing a small increase over 2023
- This increase in volume is driven by larger volumes of Illicit Whites and Counterfeit, partially offset by declining Other C&C volumes

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)(d)}



Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts; (d) For 2023 and 2024, Germany results are driven by an empty pack survey instead of a yellow bag survey to allow the inclusion of Counterfeit data for all manufacturers participating in the empty pack survey (vs PMI data only in the yellow bag survey). As a result, Counterfeit volumes may not be directly comparable for 2023 and 2024 with years prior to these

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Germany Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	72.96	71.62	66.54	65.43	64.52	(1%)
Outflows	(1.06)	(0.95)	(0.87)	(0.98)	(1.44)	47%
Legal Domestic Consumption (LDC)	71.90	70.67	65.67	64.45	63.09	(2%)
Non-Domestic Legal (ND(L))	9.23	7.79	9.36	9.96	10.99	10%
Counterfeit and Contraband (C&C)	3.63	1.70	1.68	1.59	1.65	4%
Total Non-Domestic	12.86	9.49	11.04	11.55	12.64	9%
Total Consumption	84.76	80.15	76.71	76.00	75.73	(0%)

- Total cigarette consumption declined marginally in 2024, with a decline in Legal Domestic Consumption partially offset by an increase in Non-Domestic inflows. Most inflows were estimated to be (ND(L))
- Non-Domestic inflows increased further, reaching 2020 levels, driven by higher flows from all major source markets. Neighbouring Poland and the Czech Republic remained the largest sources of Non-Domestic inflows
- Outflows increased by 47%, primarily driven by higher flows to Netherlands, France and Switzerland

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Germany

Billion cigarettes	2020	2021	2022	2023	2024
Poland	4.66	3.82	4.66	5.19	5.53
Czech Republic	3.68	2.31	2.15	1.69	1.73
Duty Free Labelled	0.86	0.53	0.67	1.06	1.17
Luxembourg	0.43	0.37	0.55	0.64	0.75
Counterfeit	0.58	0.31	0.53	0.37	0.44
Other	2.64	2.15	2.48	2.60	3.02
Total Inflows	12.86	9.49	11.04	11.55	12.64

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Germany

Billion cigarettes	2020	2021	2022	2023	2024
Netherlands	(0.22)	(0.23)	(0.19)	(0.29)	(0.49)
France	(0.33)	(0.12)	(0.22)	(0.19)	(0.30)
Switzerland	(0.16)	(0.10)	(0.09)	(0.04)	(0.14)
Poland	(0.09)	(0.06)	(0.08)	(0.07)	(0.09)
Austria	(0.05)	(0.10)	(0.07)	(0.07)	(0.08)
Other	(0.21)	(0.33)	(0.23)	(0.32)	(0.34)
Total Outflows	(1.06)	(0.95)	(0.87)	(0.98)	(1.44)

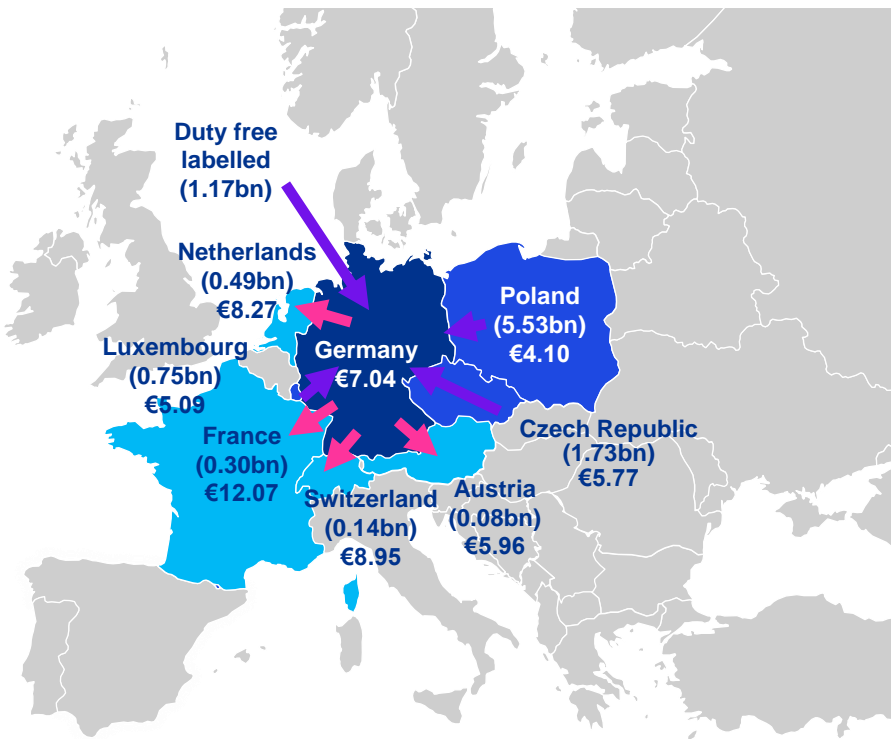
Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

- Germany
 - Source
 - Destination
 - Inflow
 - Outflow
- Label description:**
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)(d)}

Low High

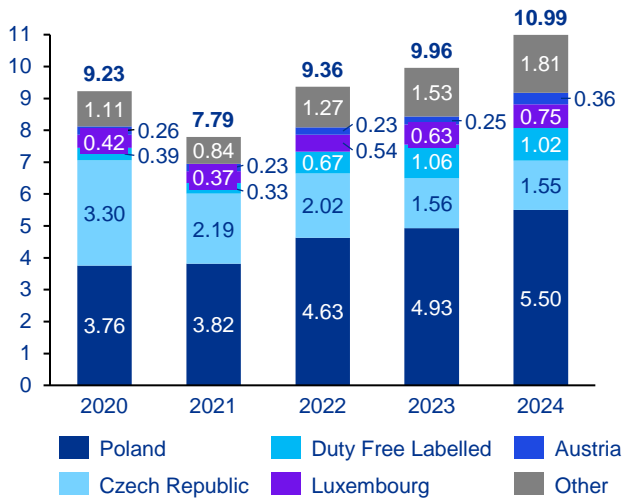


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region (c) Data not available for regions in grey (d) C&C incidence is relatively low across all regions and differs by just 3ppt with the lowest C&C percentage in lower Saxony at 1.5% and highest C&C in Saxony at 4.5%

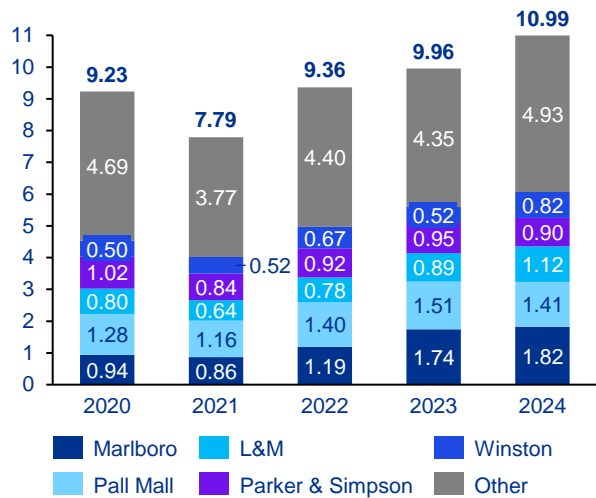
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024 (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

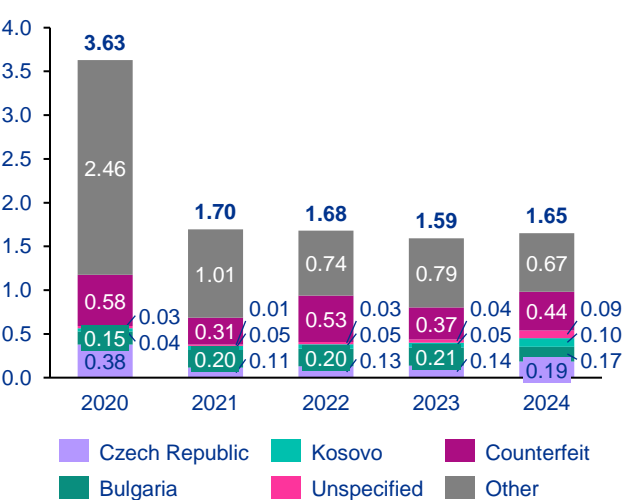


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

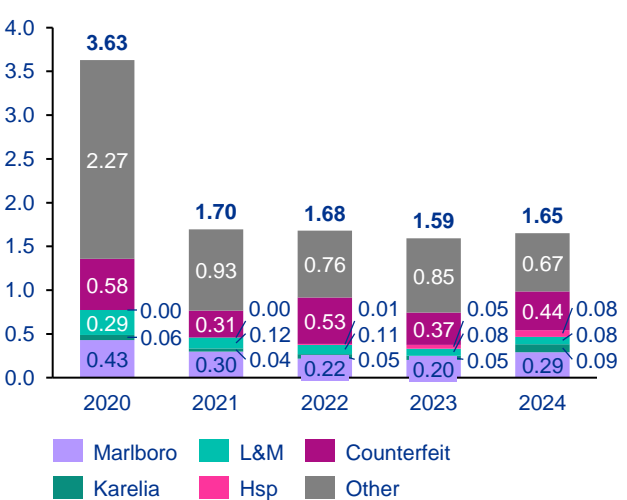


- Legal inflows (ND(L)) increased by 10% in 2024, with increased legal inflows from Poland, Luxembourg, Austria and 'Other' smaller markets
- Illicit inflows (C&C) increased by 4% in 2024, driven by higher flows from Czech Republic, Kosovo, Unspecified and Counterfeit, partially offset by Bulgaria and 'Other' smaller markets

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Greece



14.1bn

Cigarettes consumed

-0.74bn
on 2023

2.5bn

C&C cigarettes consumed

-1.05bn
on 2023

17.5%

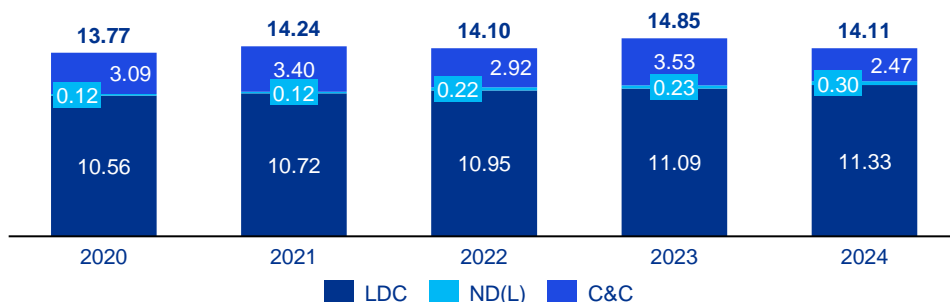
Of total consumption was C&C

-6.21ppt on
2023

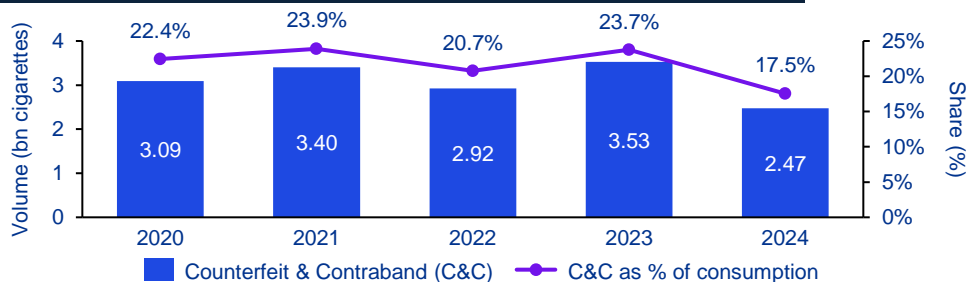
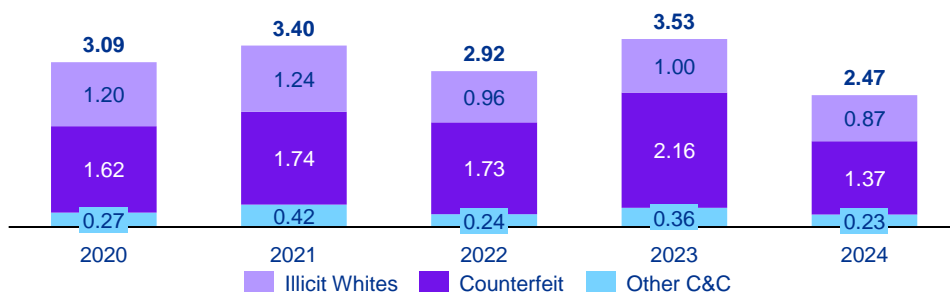
€438m

Total tax revenue lost from C&C^(b)-€186m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- Both C&C as a share of total cigarette consumption and C&C volumes decreased in 2024, reaching the lowest levels observed during the reporting period
- This decline is driven by decreases across all components of illicit consumption

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Greece Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	10.94	11.12	11.33	11.49	11.90	4%
Outflows	(0.38)	(0.40)	(0.38)	(0.40)	(0.56)	42%
Legal Domestic Consumption (LDC)	10.56	10.72	10.95	11.09	11.33	2%
Non-Domestic Legal (ND(L))	0.12	0.12	0.22	0.23	0.30	28%
Counterfeit and Contraband (C&C)	3.09	3.40	2.92	3.53	2.47	(30%)
Total Non-Domestic	3.21	3.52	3.15	3.76	2.77	(26%)
Total Consumption	13.77	14.24	14.10	14.85	14.11	(5%)

- Total cigarette consumption decreased by 5%, driven by a decrease in Non-Domestic inflows, partially offset by an increase in Legal Domestic Consumption
- Non-Domestic inflows decreased by 26%, reaching the lowest volumes reported during the period. These flows primarily comprised of Counterfeit and Illicit Whites with no country-specific labelling
- Outflows increased by 42%, primarily driven by increased outflows to Germany and Netherlands

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Greece					
Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	1.62	1.74	1.73	2.16	1.37
IWs with no country-specific labelling	1.15	1.21	0.90	0.95	0.79
Duty Free Labelled	0.02	0.21	0.18	0.32	0.21
Other	0.43	0.35	0.34	0.33	0.40
Total Inflows	3.21	3.52	3.15	3.76	2.77

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Greece					
Billion cigarettes	2020	2021	2022	2023	2024
Germany	(0.12)	(0.10)	(0.14)	(0.11)	(0.18)
Netherlands	(0.03)	(0.03)	(0.01)	(0.06)	(0.13)
France	(0.04)	(0.05)	(0.04)	(0.06)	(0.08)
Italy	(0.07)	(0.00)	(0.01)	(0.02)	(0.04)
Other	(0.12)	(0.21)	(0.18)	(0.15)	(0.14)
Total Outflows	(0.38)	(0.40)	(0.38)	(0.40)	(0.56)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

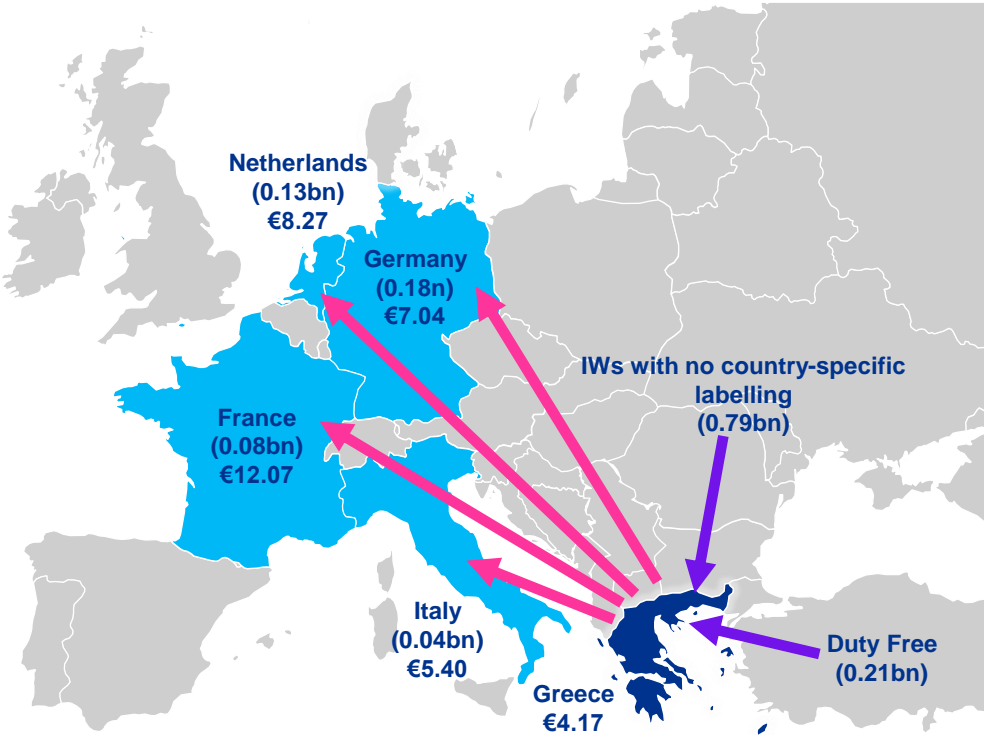
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

-  Greece
-  Source
-  Destination
-  Inflow
-  Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)}

Low High

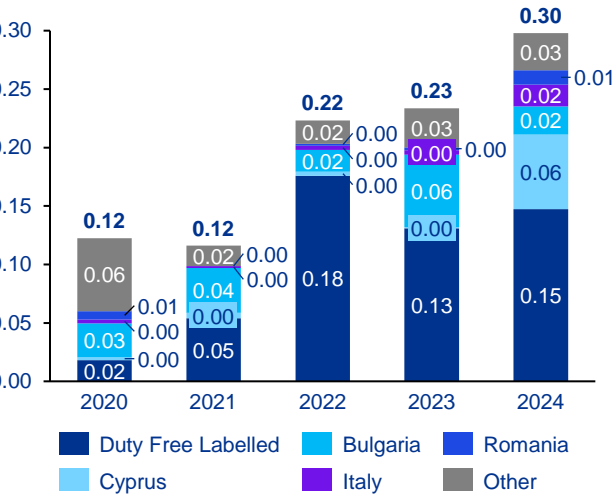


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region

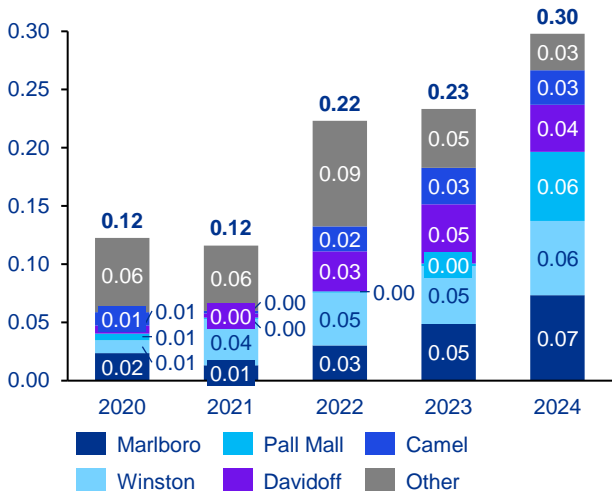
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

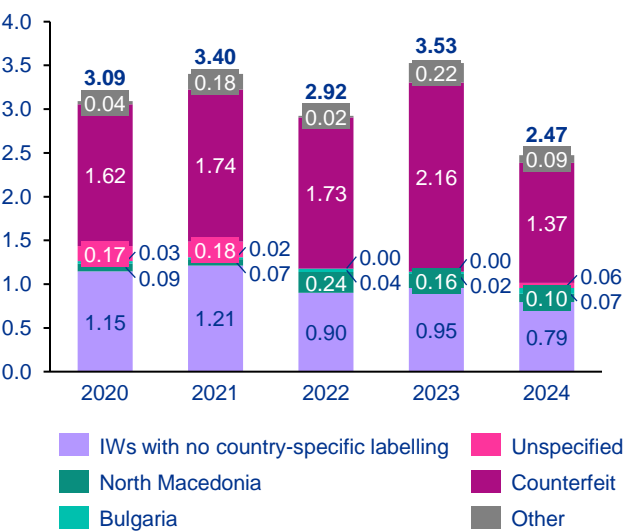


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

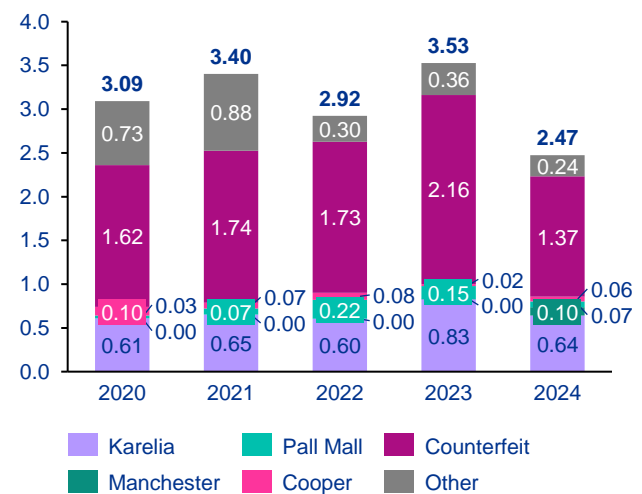


- Legal inflows (ND(L)) increased by 28%, reaching the highest volumes during the reporting period, driven by higher legal flows from Cyprus and Duty Free Labelled, partially offset by decreased flows from Bulgaria
- Illicit inflows (C&C) decreased in 2024, driven by declining illicit flows from Illicit Whites with no country-specific labelling, Counterfeit and 'Other' smaller markets

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Hungary



6.6bn

Cigarettes consumed

+0.22bn
on 2023

0.9bn

C&C cigarettes consumed

+0.38bn
on 2023

13.5%

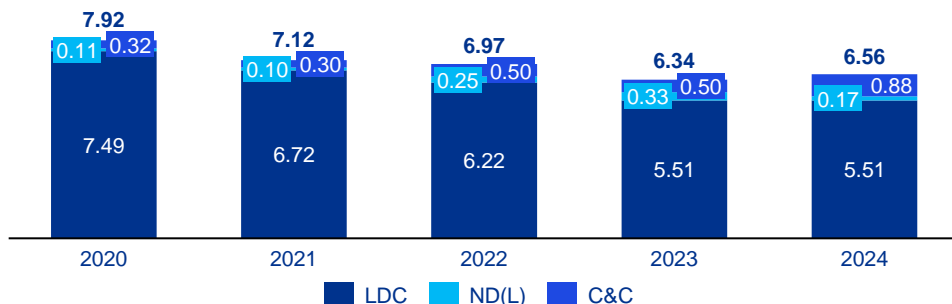
Of total consumption was C&C

+5.57ppt
on 2023

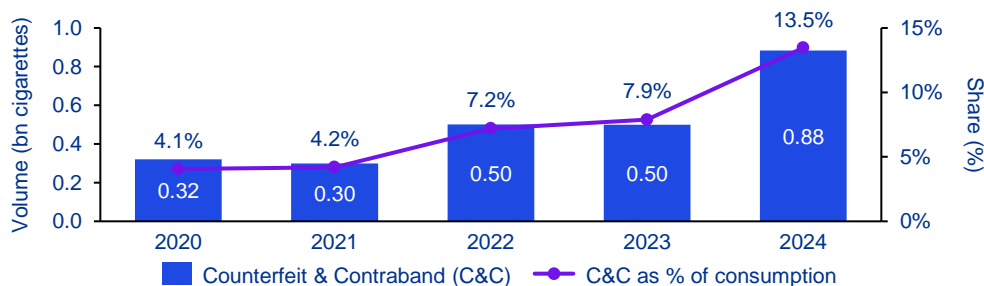
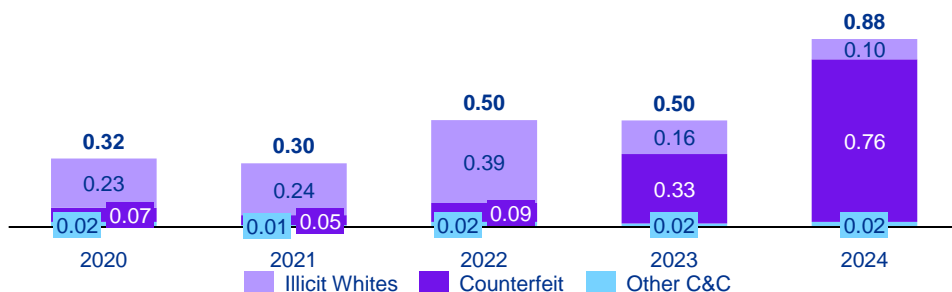
€175m

Total tax revenue lost from C&C^(b)(HUF 72,276m)⁽³⁾+ €79m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total consumption increased by 5.6ppts to 13.5% in 2024 alongside an increase in C&C volumes, both of which reached their highest levels over the reporting period
- This increase was primarily driven by a growth of Counterfeit volumes, somewhat offset by a decline in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) EUR 1 = HUF 412.830, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Hungary Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	7.73	6.88	6.50	5.72	5.65	(1%)
Outflows	(0.25)	(0.17)	(0.28)	(0.21)	(0.14)	(30%)
Legal Domestic Consumption (LDC)	7.49	6.72	6.22	5.51	5.51	(0%)
Non-Domestic Legal (ND(L))	0.11	0.10	0.25	0.33	0.17	(49%)
Counterfeit and Contraband (C&C)	0.32	0.30	0.50	0.50	0.88	77%
Total Non-Domestic	0.43	0.40	0.75	0.83	1.05	26%
Total Consumption	7.92	7.12	6.97	6.34	6.56	3%

- Total cigarette consumption increased by 3%, driven by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 26% due to an increase in C&C of 77%
- Counterfeit inflows increased further by 0.43bn in 2024 to the highest level recorded in the reporting period. Illicit Whites with no country-specific labelling continued to decline
- Outflows declined by 30%, primarily driven by reduced outflows to 'Other' smaller markets

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Hungary

Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.07	0.05	0.09	0.33	0.76
IWs with no country-specific labelling	0.16	0.21	0.37	0.14	0.08
Other	0.21	0.15	0.29	0.37	0.21
Total Inflows	0.43	0.40	0.75	0.83	1.05

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Hungary

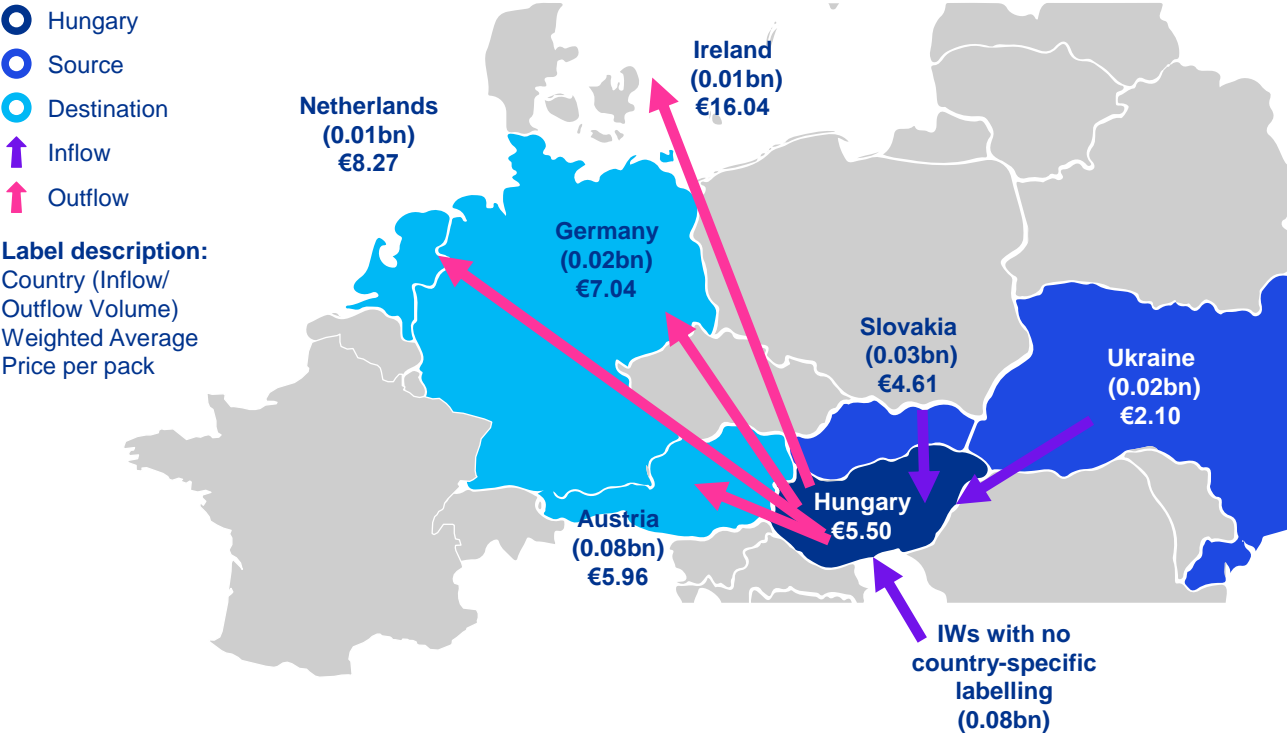
Billion cigarettes	2020	2021	2022	2023	2024
Austria	(0.14)	(0.06)	(0.11)	(0.08)	(0.08)
Germany	(0.04)	(0.02)	(0.03)	(0.03)	(0.02)
Netherlands	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)
Ireland	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)
Other	(0.05)	(0.08)	(0.12)	(0.09)	(0.03)
Total Outflows	(0.25)	(0.17)	(0.28)	(0.21)	(0.14)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

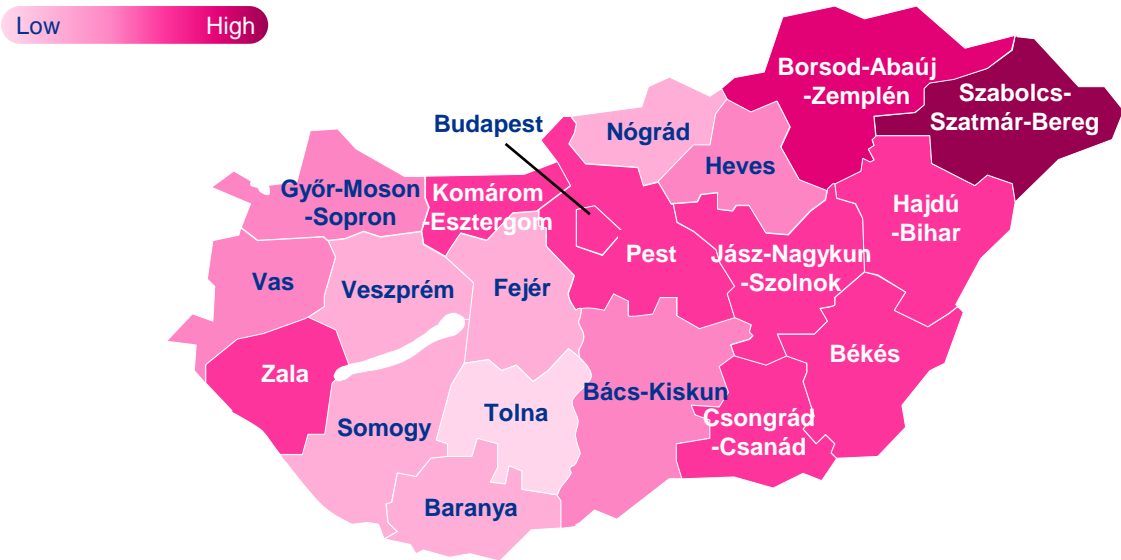
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

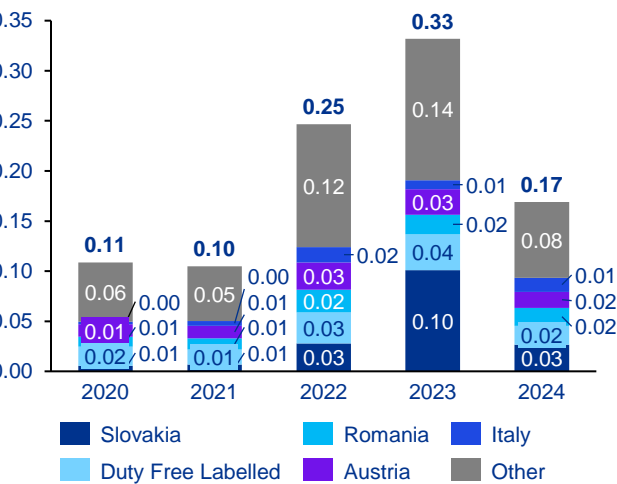


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

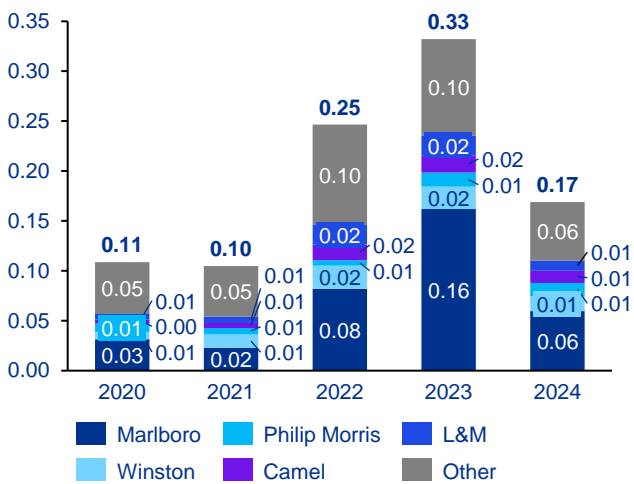
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

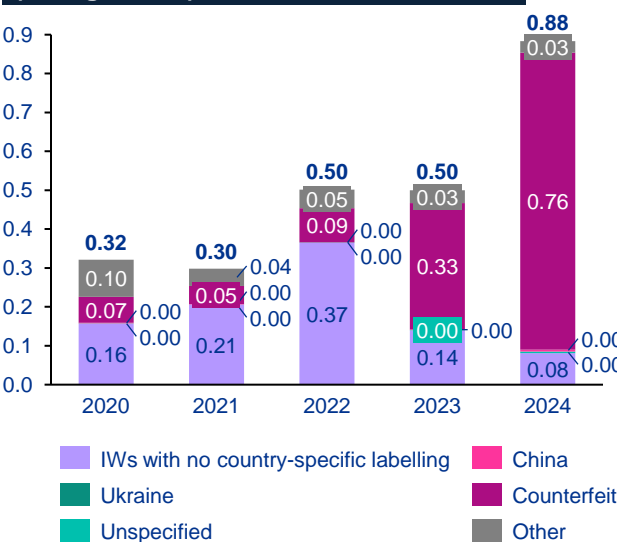


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

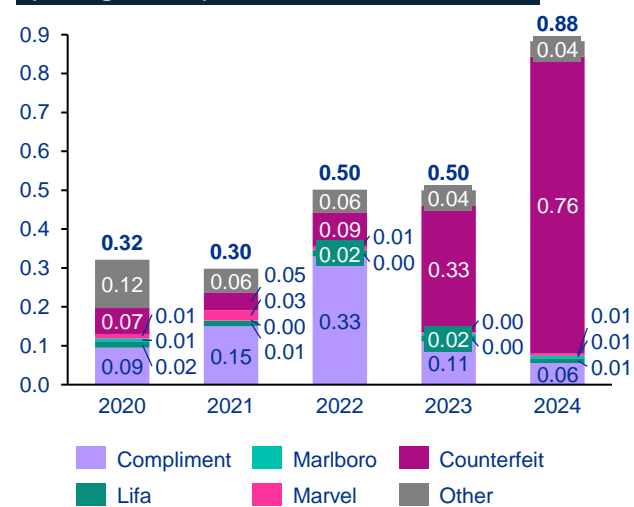


- Legal inflows (ND(L)) decreased by 49%, driven by reduced legal flows from Slovakia and ‘Other’ smaller markets
- Counterfeit and Illicit Whites with no country-specific labelling continue to account for the majority of illicit consumption (C&C)
- Counterfeit’s share of total C&C inflows increased from 66% in 2023 to 86% in 2024

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Ireland



3.4bn

Cigarettes consumed

+0.08bn
on 2023

1.1bn

C&C cigarettes consumed

+0.15bn
on 2023

31.5%

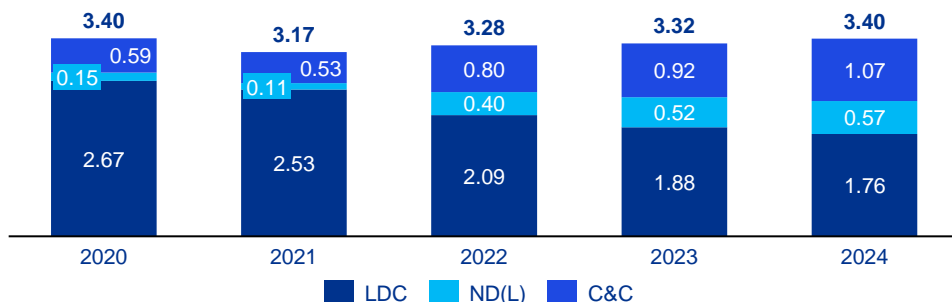
Of total consumption was C&C

+3.70ppt
on 2023

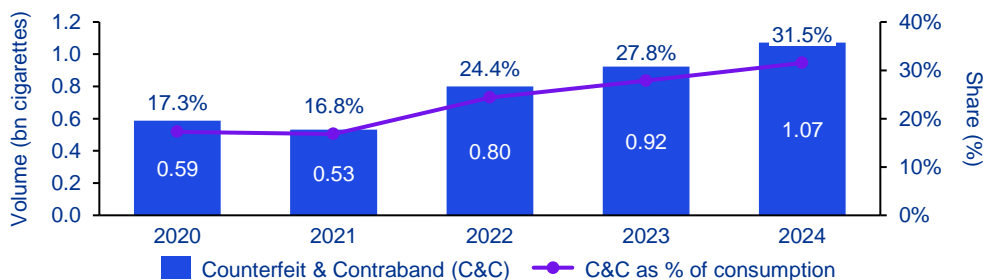
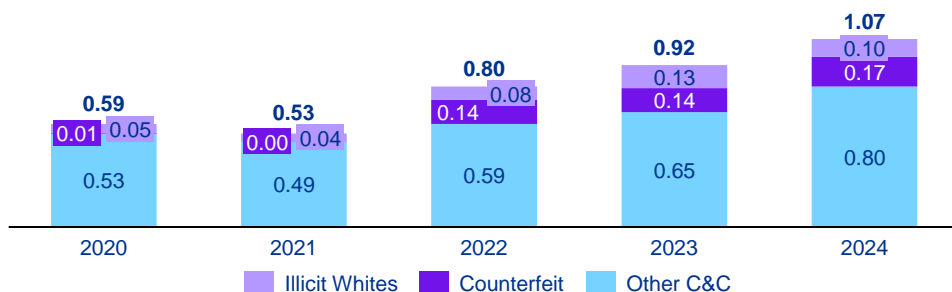
€735m

Total tax revenue lost from C&C^(b)+€145m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total consumption and C&C volumes increased in 2024, both reaching their highest level over the reporting period
- This increase was driven by increased Counterfeit and Other C&C volumes, partially offset by declining Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Ireland Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	2.70	2.54	2.16	1.91	1.78	(7%)
Outflows	(0.03)	(0.01)	(0.08)	(0.04)	(0.02)	(53%)
Legal Domestic Consumption (LDC)	2.67	2.53	2.09	1.88	1.76	(6%)
Non-Domestic Legal (ND(L))	0.15	0.11	0.40	0.52	0.57	10%
Counterfeit and Contraband (C&C)	0.59	0.53	0.80	0.92	1.07	16%
Total Non-Domestic	0.73	0.64	1.20	1.44	1.64	14%
Total Consumption	3.40	3.17	3.28	3.32	3.40	3%

- Total cigarette consumption increased, with a decrease in Legal Domestic Consumption more than offset by an increase in Non-Domestic inflows
- The Non-Domestic inflow increase was driven by higher flows from all major source markets, apart from Romania which saw a decline in flows in 2024
- Outflows decreased in 2024, returning to similar levels as observed in 2020 and 2021

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Ireland					
Billion cigarettes	2020	2021	2022	2023	2024
Duty Free Labelled	0.08	0.07	0.23	0.29	0.33
Counterfeit	0.01	0.00	0.14	0.14	0.17
Spain	0.02	0.01	0.07	0.11	0.15
Romania	0.19	0.15	0.26	0.15	0.13
Poland	0.09	0.05	0.09	0.10	0.12
Other	0.34	0.36	0.41	0.65	0.74
Total Inflows	0.73	0.64	1.20	1.44	1.64

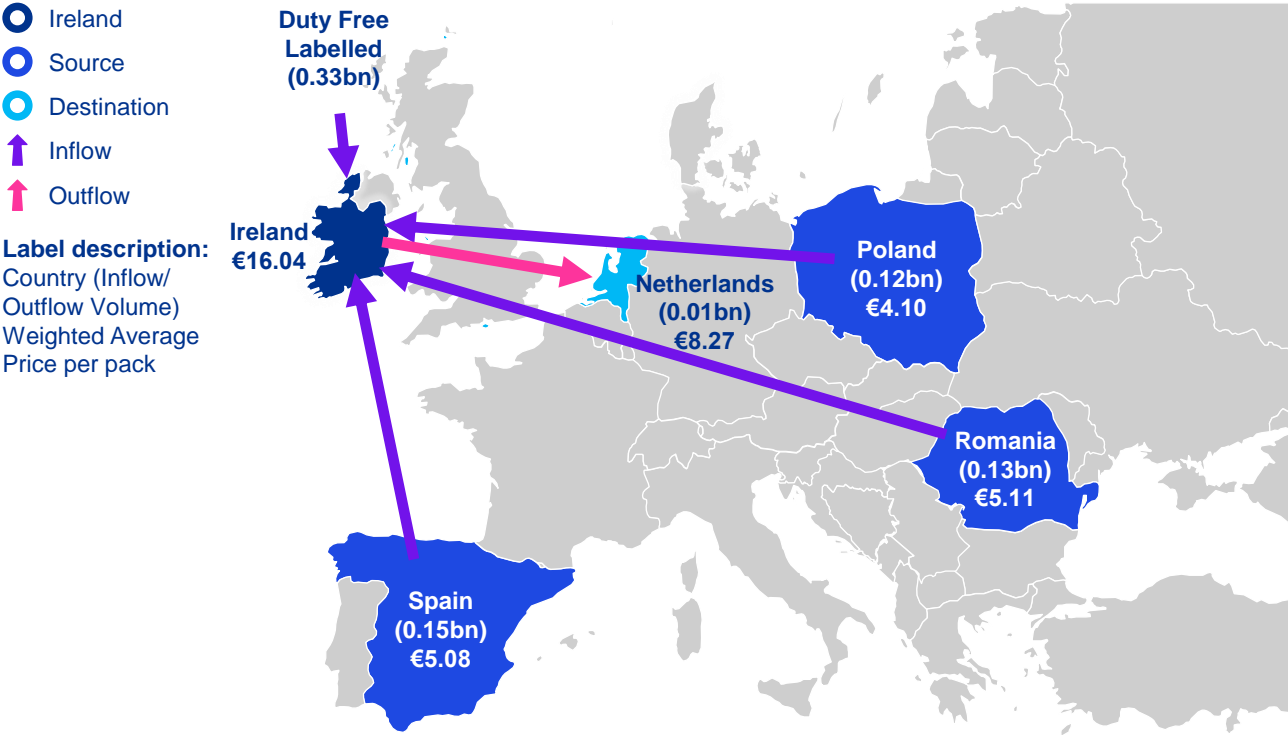
Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Ireland					
Billion cigarettes	2020	2021	2022	2023	2024
Netherlands	(0.02)	(0.00)	(0.01)	(0.00)	(0.01)
Other	(0.01)	(0.01)	(0.07)	(0.03)	(0.01)
Total Outflows	(0.03)	(0.01)	(0.08)	(0.04)	(0.02)

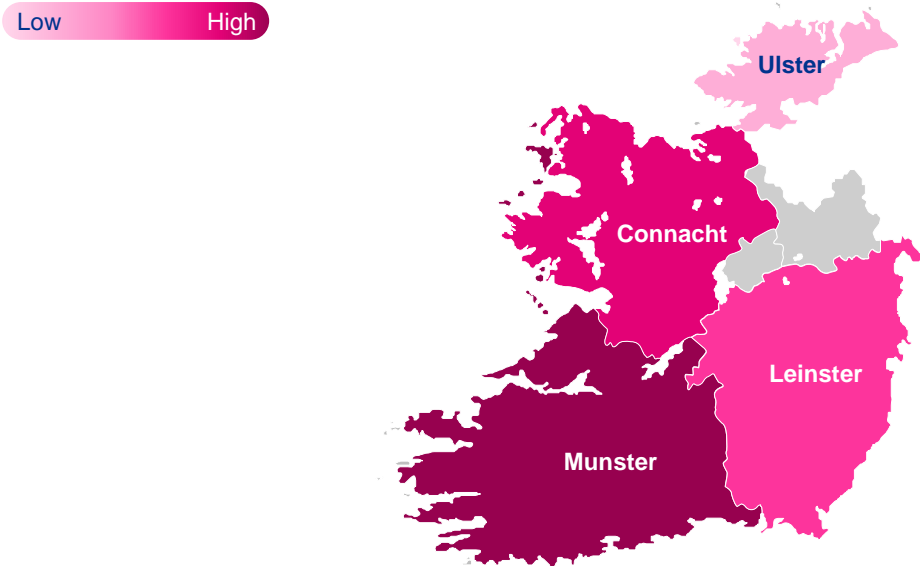
Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

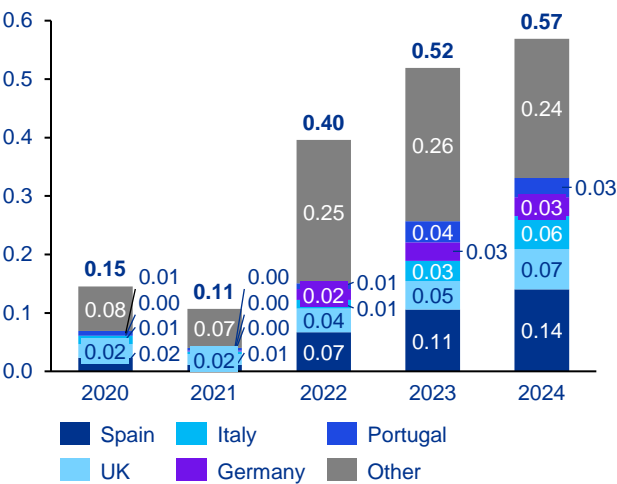


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

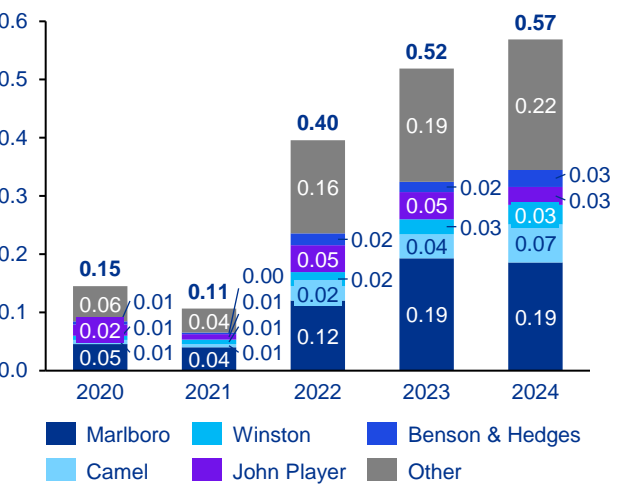
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

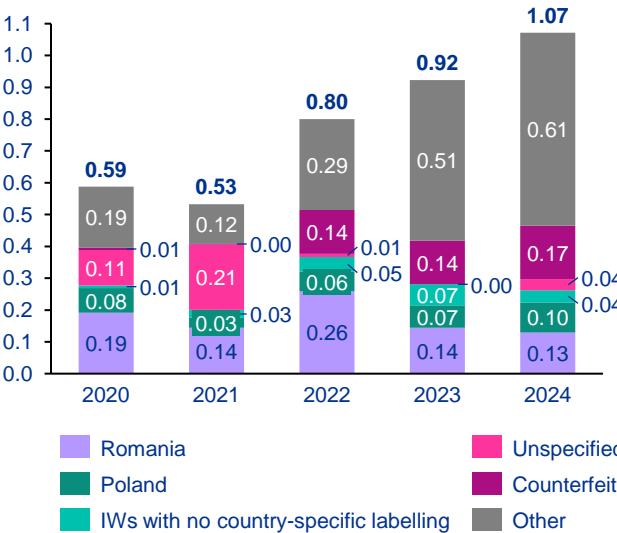


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

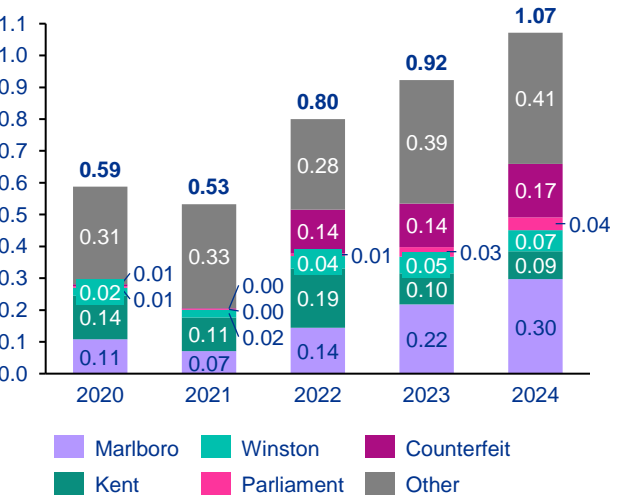


- Legal inflows (ND(L)) increased by 10% in 2024, reaching the highest reported during the period, primarily driven by increased legal flows from Spain, UK and Italy, partially offset by declining flows from Portugal and ‘Other’ smaller markets
- Illicit inflows (C&C) increased by 16%, driven by increase in illicit flows from Poland, Unspecified, Counterfeit and ‘Other’ smaller markets

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024

Italy



59.8bn

Cigarettes consumed

+0.38bn
on 2023

1.1bn

C&C cigarettes consumed

+0.02bn
on 2023

1.8%

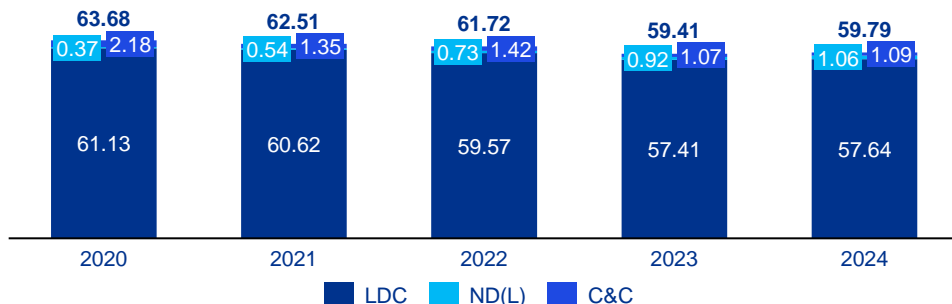
Of total consumption was C&C

+0.02ppt
on 2023

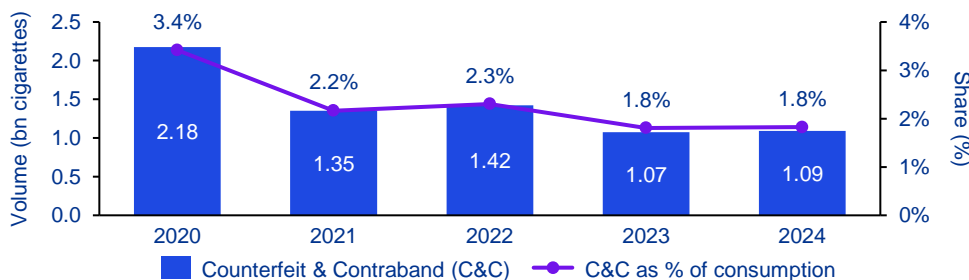
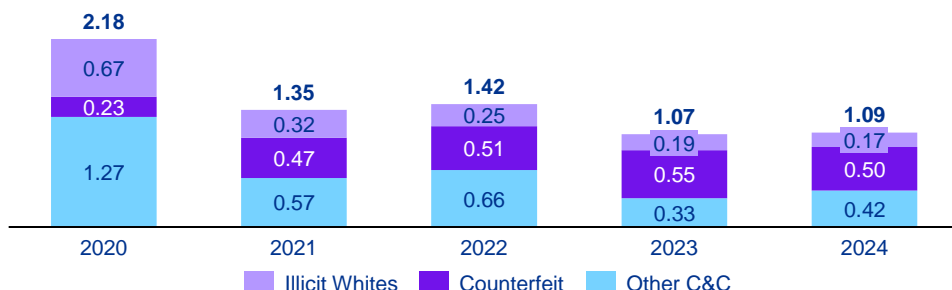
€226m

Total tax revenue lost from C&C^(b)+€7m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

— C&C as a share of total consumption remained stable in 2024, with an increase in Other C&C offset by a decline in both Illicit Whites and Counterfeit

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Italy Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	61.74	61.11	60.22	58.35	58.72	1%
Outflows	(0.61)	(0.49)	(0.65)	(0.93)	(1.07)	15%
Legal Domestic Consumption (LDC)	61.13	60.62	59.57	57.41	57.64	0%
Non-Domestic Legal (ND(L))	0.37	0.54	0.73	0.92	1.06	14%
Counterfeit and Contraband (C&C)	2.18	1.35	1.42	1.07	1.09	2%
Total Non-Domestic	2.55	1.89	2.15	2.00	2.15	8%
Total Consumption	63.68	62.51	61.72	59.41	59.79	1%

- Total cigarette consumption increased by 1%, driven by an increase in both Legal Domestic Consumption and Non-Domestic inflows
- Non-Domestic inflows increased, driven by an increase in flows from Slovenia and 'Other' smaller markets, partially offset by declining Counterfeit volumes
- Outflows increased by 15%, reaching the highest reported during the period, driven by increased flows to France, Netherlands and Germany, partially offset by decline in flows to smaller destination markets grouped together within 'Other'

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Italy

Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.23	0.47	0.51	0.55	0.50
Duty Free Labelled	0.45	0.25	0.34	0.33	0.35
Slovenia	0.45	0.32	0.46	0.26	0.34
Egypt	0.07	0.07	0.05	0.12	0.11
IWs with no country-specific labelling	0.60	0.27	0.18	0.10	0.09
Other	0.74	0.51	0.61	0.63	0.75
Total Inflows	2.55	1.89	2.15	2.00	2.15

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Italy

Billion cigarettes	2020	2021	2022	2023	2024
France	(0.31)	(0.18)	(0.19)	(0.22)	(0.31)
Netherlands	(0.06)	(0.02)	(0.07)	(0.10)	(0.20)
Germany	(0.08)	(0.08)	(0.11)	(0.10)	(0.13)
Switzerland	(0.03)	(0.07)	(0.07)	(0.10)	(0.10)
Other	(0.13)	(0.14)	(0.21)	(0.42)	(0.33)
Total Outflows	(0.61)	(0.49)	(0.65)	(0.93)	(1.08)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

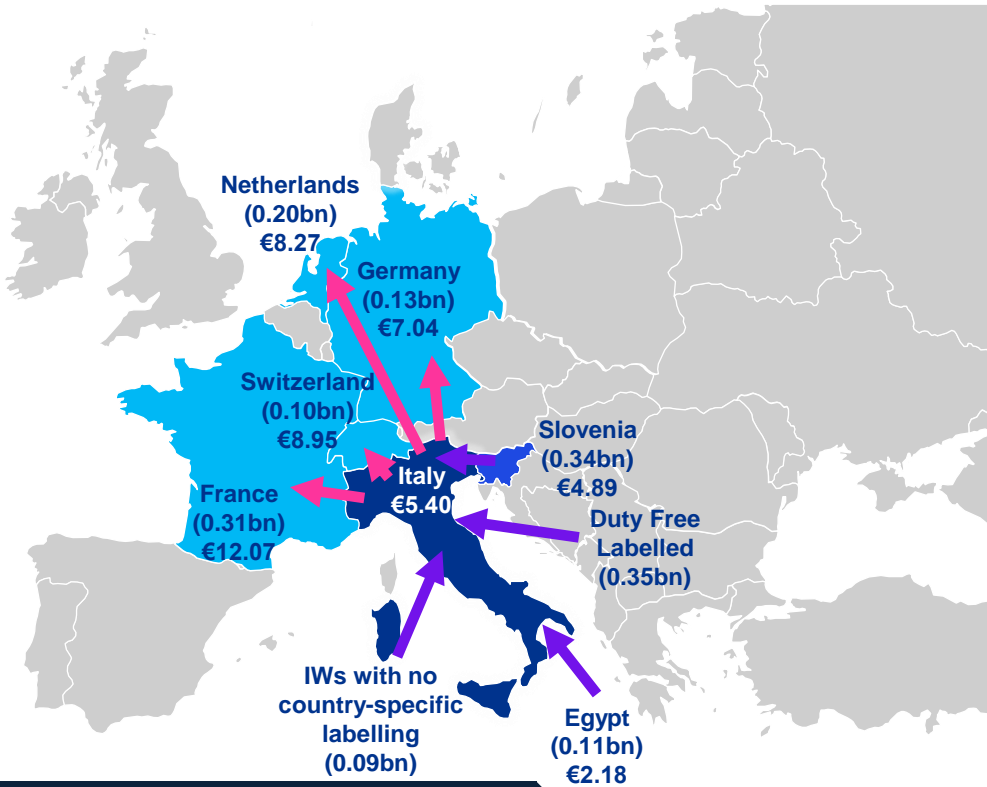
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

- Italy
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

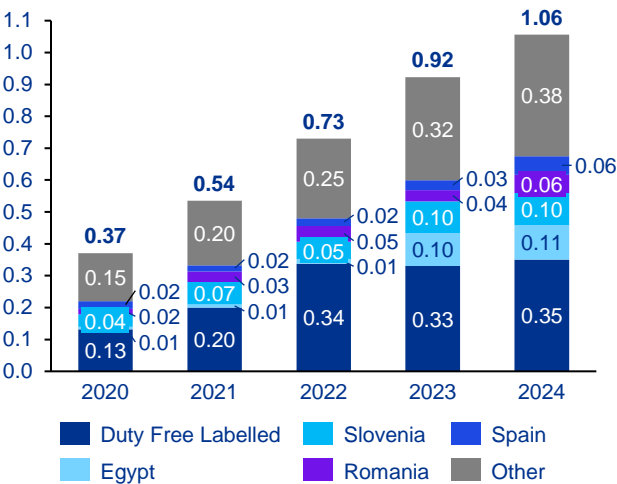


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

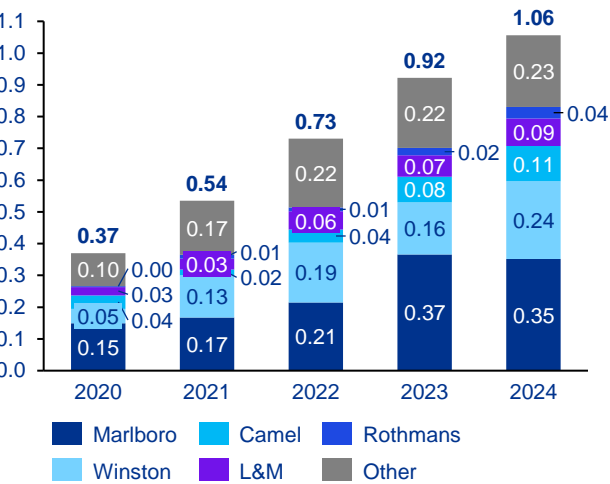
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

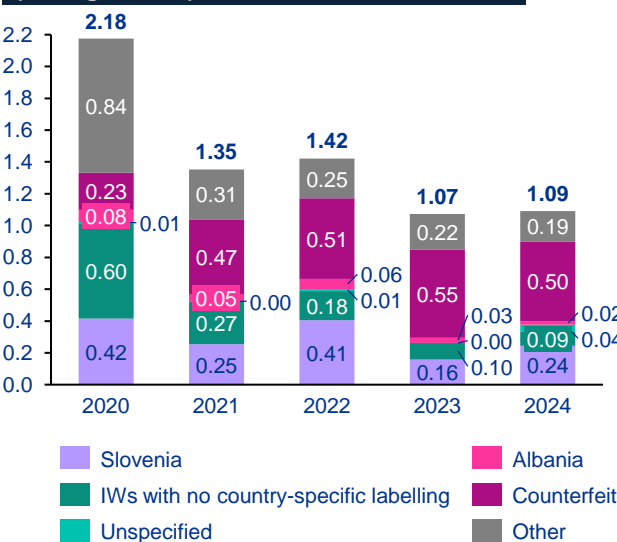


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

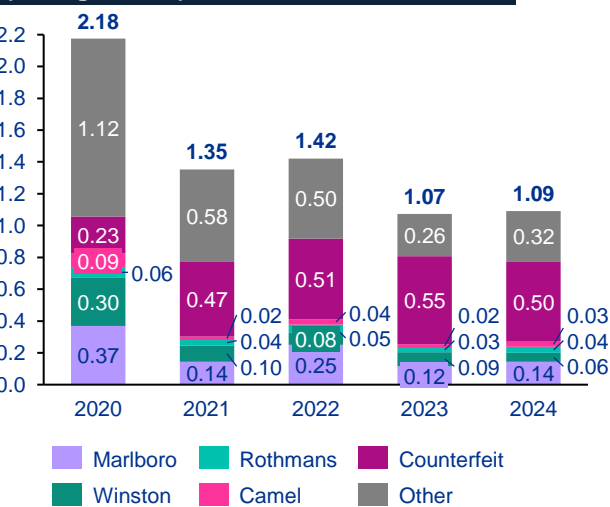


- Legal inflows (ND(L)) increased in 2024, reaching the highest reported during the period, driven by increased inflows from Duty Free Labelled, Romania, Spain and 'Other' smaller markets
- Illicit consumption (C&C) remained largely stable in 2024, with an increase in illicit flows from Slovenia and Unspecified origins offset by a proportionate decrease in flows from Counterfeit and 'Other' smaller markets

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;

Kosovo



3.3bn

Cigarettes consumed

+0.10bn
on 2023

0.08bn

C&C cigarettes consumed

+0.04bn
on 2023

2.4%

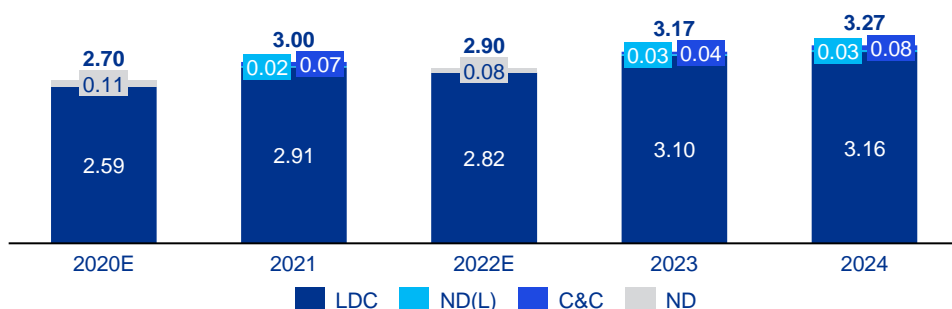
Of total consumption was C&C

+1.12ppt
on 2023

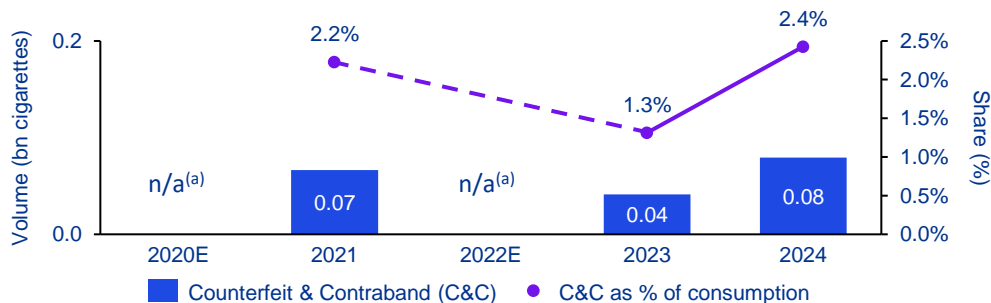
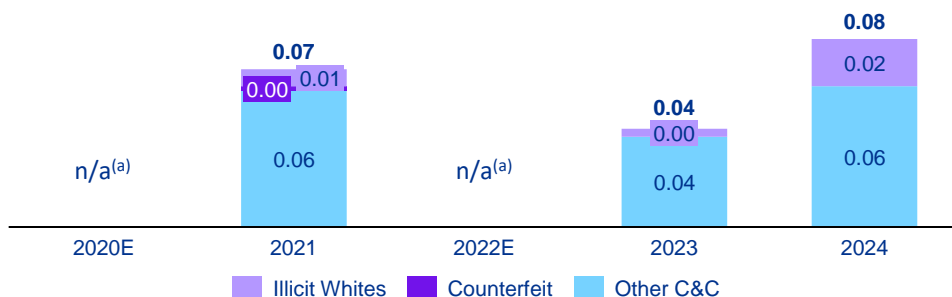
€6m

Total tax revenue lost from C&C^(b)+€3m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

— C&C as a share of total consumption increased by 1.1ppts to 2.4% in 2024, driven by an increase in Illicit Whites and Other C&C

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024^{(1)(2)(a)}C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)(b)}

Note: (a) ND(L) and C&C detail is only shown for years with empty pack surveys (b) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (c) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (d) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024^{(1)(2)(a)}

Total Kosovo Consumption						
Billion cigarettes	2020E	2021	2022E	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	2.76	3.26	3.38	3.51	3.69	5%
Outflows	(0.17)	(0.35)	(0.55)	(0.41)	(0.52)	29%
Legal Domestic Consumption (LDC)	2.59	2.91	2.82	3.10	3.16	2%
Non-Domestic Legal (ND(L))		0.02		0.03	0.03	15%
Counterfeit and Contraband (C&C)		0.07		0.04	0.08	91%
Total Non-Domestic	0.11	0.09	0.08	0.07	0.11	61%
Total Consumption	2.70	3.00	2.90	3.17	3.27	3%

- Total consumption increased by 3% in 2024, driven by an increase in both Legal Domestic Consumption and Non-Domestic consumption
- Non-Domestic inflows increased by 61%, with increased inflows from all major sources
- Outflows increased by 29%, primarily driven by increased outflows to Germany and neighbouring Montenegro

Total inflows by country of origin – 2020-2024^{(1)(a)(b)}

Inflows to Kosovo					
Billion cigarettes	2020E	2021	2022E	2023	2024
Duty Free Labelled		0.00		0.03	0.05
IWs with no country-specific labelling		0.01		0.00	0.02
North Macedonia		0.01		0.00	0.01
Albania		0.02		0.00	0.01
Other		0.05		0.03	0.02
Total Inflows	0.11	0.09	0.08	0.07	0.11

Total outflows by destination – 2020-2024^{(1)(a)(b)(c)}

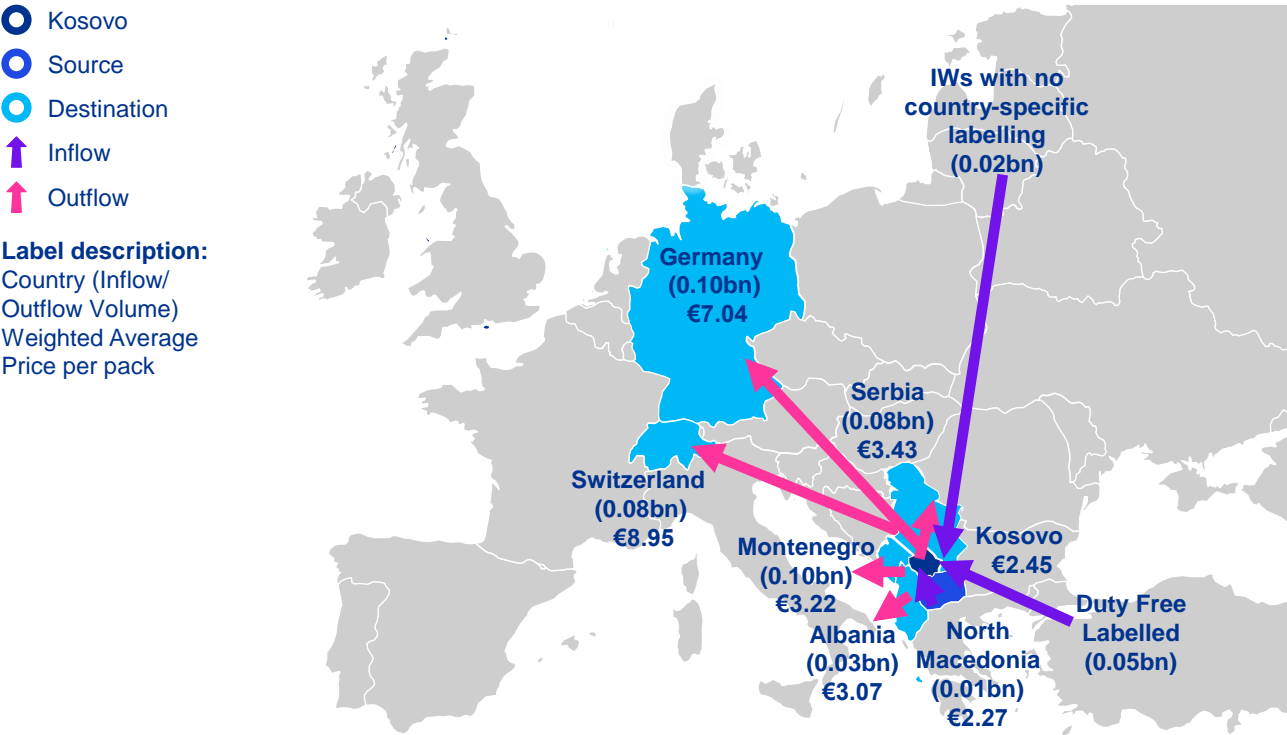
Outflows from Kosovo					
Billion cigarettes	2020E	2021	2022E	2023	2024
Germany	(0.04)	(0.05)	(0.05)	(0.06)	(0.10)
Montenegro	0.00	(0.05)	(0.16)	(0.03)	(0.10)
Serbia	(0.01)	(0.03)	(0.10)	(0.10)	(0.08)
Switzerland	(0.01)	(0.07)	(0.03)	(0.06)	(0.08)
Albania	(0.00)	(0.01)	(0.03)	(0.02)	(0.03)
Other	(0.10)	(0.14)	(0.19)	(0.14)	(0.13)
Total Outflows	(0.17)	(0.35)	(0.55)	(0.41)	(0.52)

Note: (a) Detailed breakdowns of ND(L), C&C, inflows and outflows are only shown for years with empty pack surveys. Total Non-Domestic, and inflows and outflows totals for years where empty pack surveys were not conducted are estimates only based on extrapolations of empty pack survey results from the prior and following years (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows (c) As empty pack surveys were not conducted in Albania and Serbia in 2020, outflows shown to Albania and Serbia in 2020 are an extrapolation of Non-Domestic share per the 2020 and 2021 empty pack surveys respectively for those markets and should be treated as indicative only

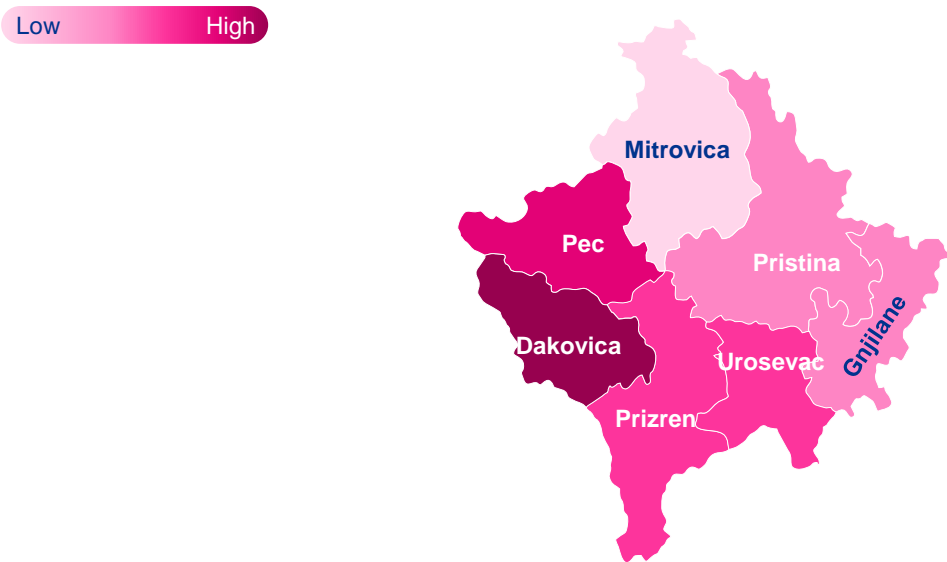
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

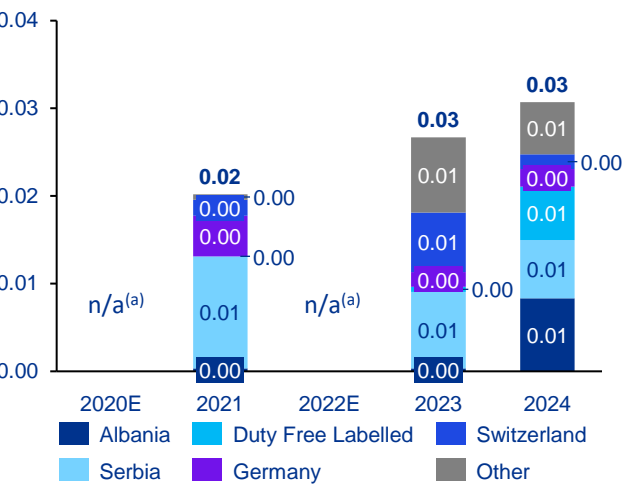


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

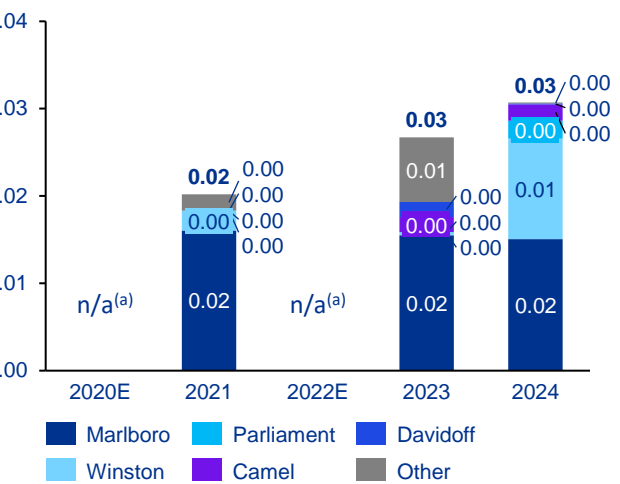
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

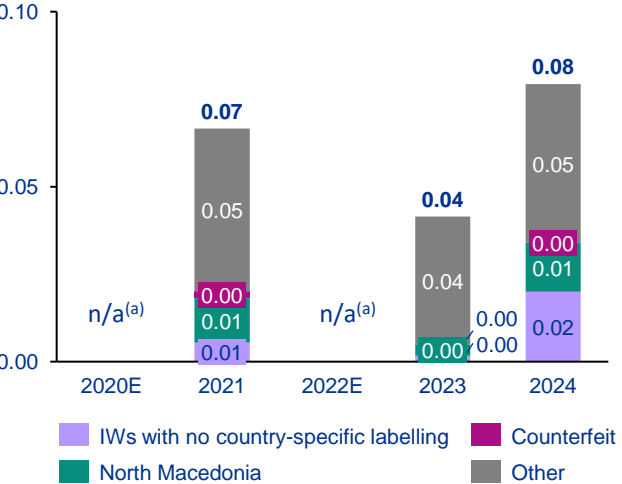


ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

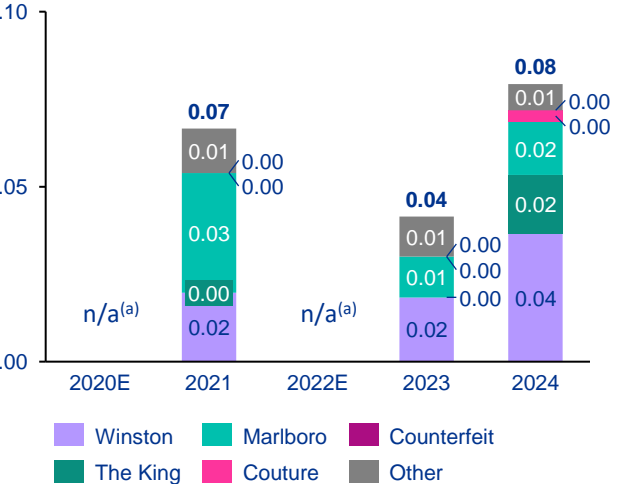


- Legal inflows (ND(L)) increased by 15% in 2024, driven by an increase in flows from Albania
- Illicit inflows (C&C) increased by 0.04bn, due to a rise in Illicit Whites with no country-specific labelling along with increased inflows from North Macedonia and smaller source markets grouped under 'Other'

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



Note: (a) ND(L) and C&C country / brand breakdowns are only shown for the years where an empty pack survey was undertaken (b) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024;

Latvia



1.9bn

Cigarettes consumed

-0.03bn
on 2023

0.3bn

C&C cigarettes consumed

+0.08bn
on 2023

18.0%

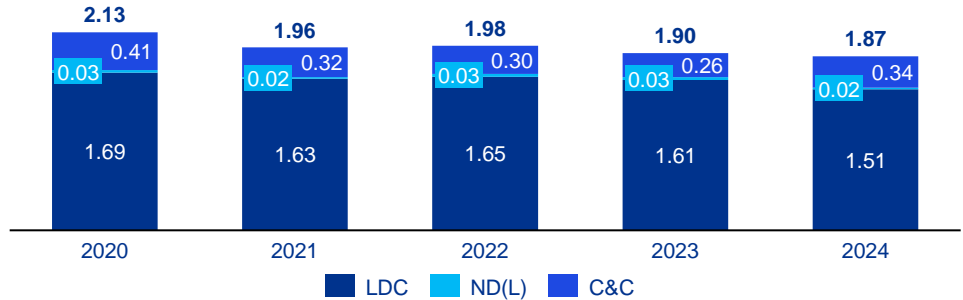
Of total consumption was C&C

+4.52ppts
on 2023

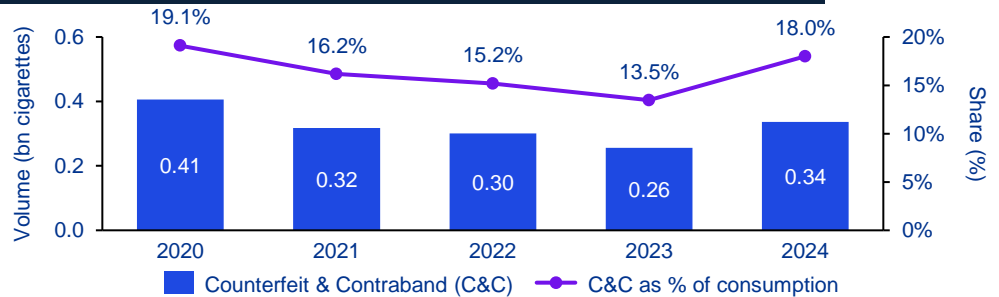
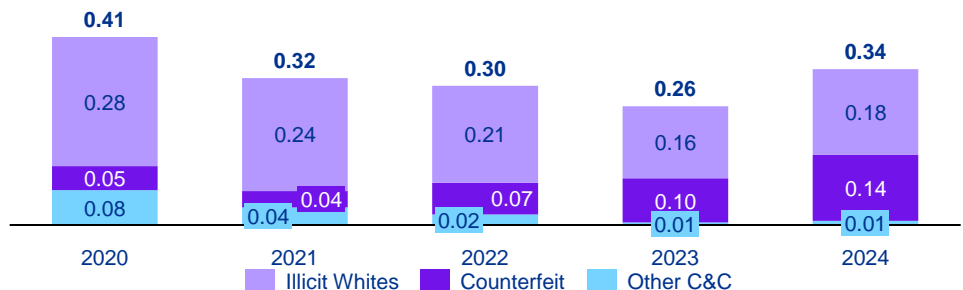
€67m

Total tax revenue lost from C&C^(b)+€24m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

— C&C as a share of total consumption increased by 4.5ppts to 18.0% in 2024, with an increase in both Counterfeit and Illicit Whites volumes

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024^{(1)(2)(a)}

Total Latvia Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	1.80	1.80	1.85	1.74	1.65	(5%)
Outflows	(0.11)	(0.18)	(0.20)	(0.12)	(0.14)	13%
Legal Domestic Consumption (LDC)	1.69	1.63	1.65	1.61	1.51	(6%)
Non-Domestic Legal (ND(L))	0.03	0.02	0.03	0.03	0.02	(38%)
Counterfeit and Contraband (C&C)	0.41	0.32	0.30	0.26	0.34	31%
Total Non-Domestic	0.43	0.34	0.33	0.29	0.36	24%
Total Consumption	2.13	1.96	1.98	1.90	1.87	(2%)

- Total consumption decreased by 2% in 2024, driven by a decline in Legal Domestic Consumption, partially offset by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 24% in 2024, with increased Belarus and Counterfeit flows
- Outflows increased by 13% in 2024, but remained largely consistent at the destination market level

Total inflows by country of origin – 2020-2024^{(1)(b)}

Inflows to Latvia

Billion cigarettes	2020	2021	2022	2023	2024
Belarus	0.29	0.25	0.22	0.16	0.18
Counterfeit	0.05	0.04	0.07	0.10	0.14
Other	0.09	0.05	0.05	0.04	0.03
Total Inflows	0.43	0.34	0.33	0.29	0.36

Total outflows by destination – 2020-2024^{(1)(b)}

Outflows from Latvia

Billion cigarettes	2020	2021	2022	2023	2024
Finland	(0.03)	(0.05)	(0.08)	(0.06)	(0.06)
Estonia	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
Lithuania	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)
Ireland	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Germany	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)
Other	(0.04)	(0.10)	(0.08)	(0.04)	(0.03)
Total Outflows	(0.11)	(0.18)	(0.20)	(0.12)	(0.14)

Note: (a) Latvia LDS has been calculated using State Revenue Service Data. In 2024, Latvia IMS volumes were 1.67bn vs. State Revenue Service volumes of 1.65bn; (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

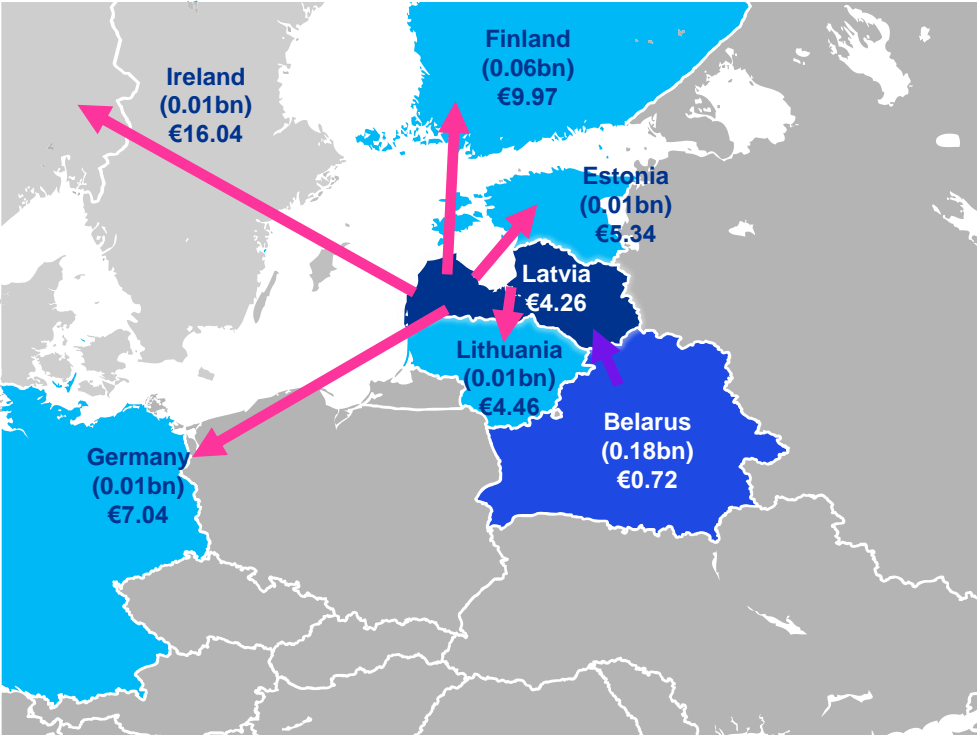
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

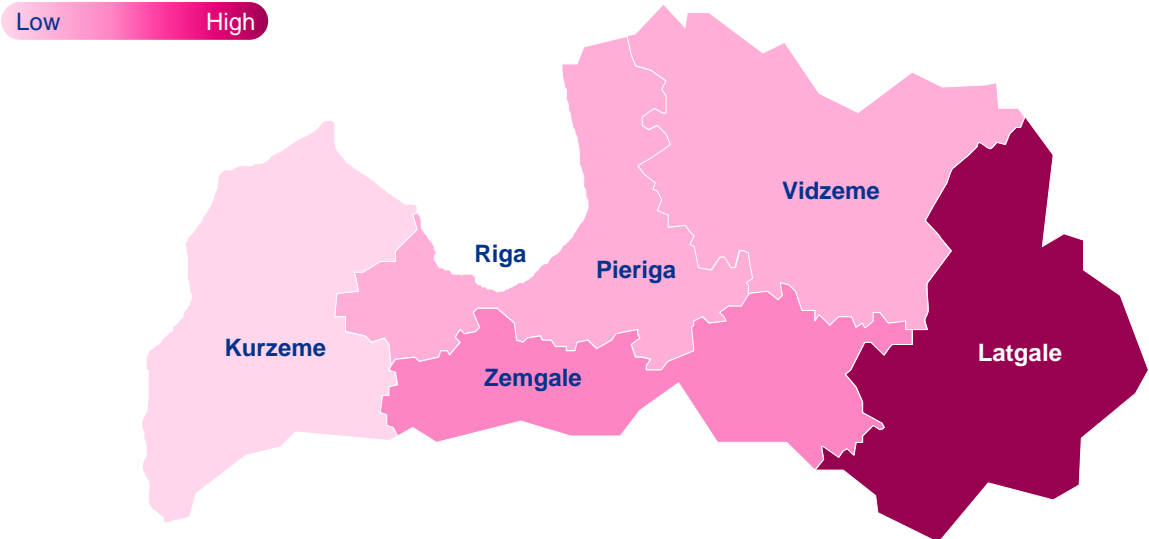
Key inflows and outflows^{(1)(a)}

○ Latvia
○ Source
○ Destination
↑ Inflow
↑ Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}



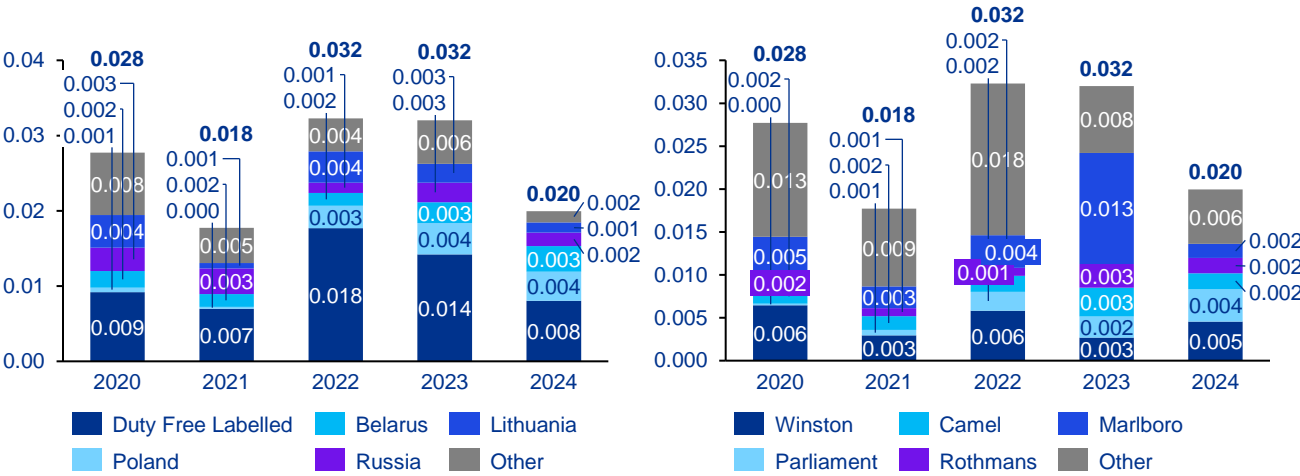
Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

Source: (1) KPMG European Flows Calculation 2024; ; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

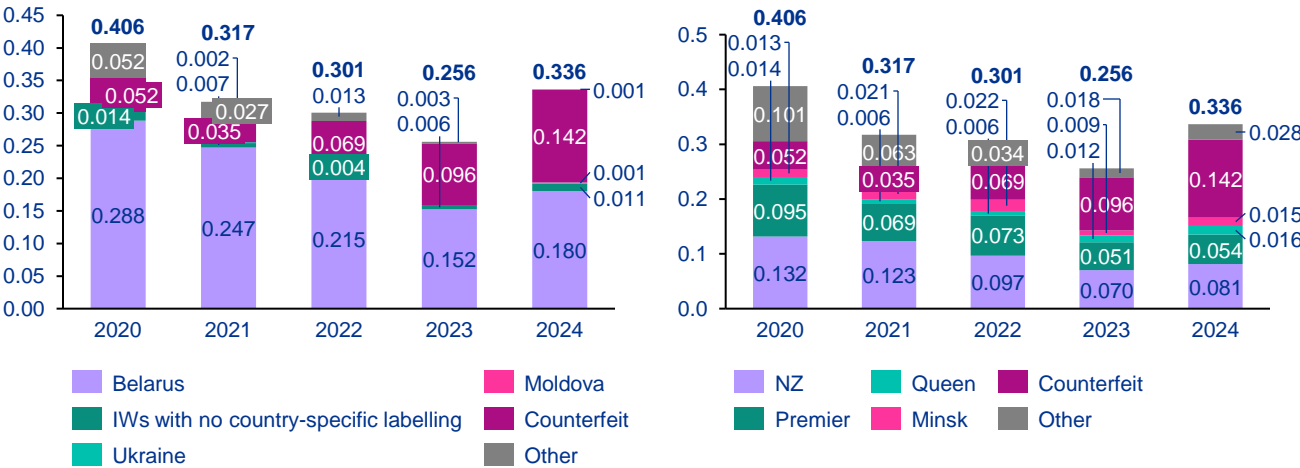
ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾



- Legal inflows (ND(L)) decreased by 38% in 2024, largely due to declining flows of Duty Free Labelled products and flows from 'Other' smaller markets
- Illicit inflows (C&C) increased by 31% in 2024, primarily driven by an increase in Illicit flows from Belarus and Counterfeit

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024



Lithuania



2.6bn

Cigarettes consumed


+0.13bn
on 2023

0.5bn

C&C cigarettes consumed


+0.08bn
on 2023

19.5%

Of total consumption was C&C

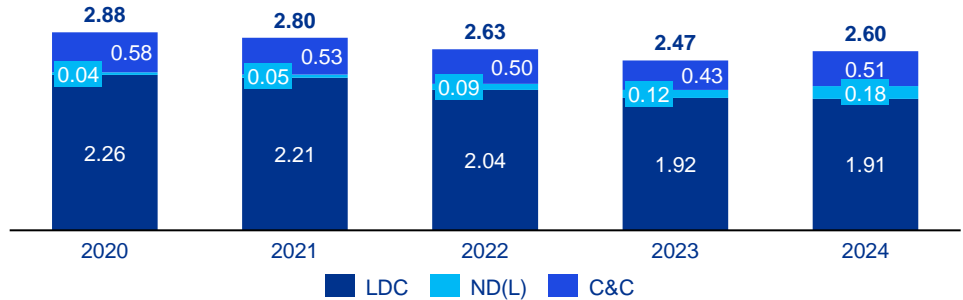

+2.20pts
on 2023

€95m

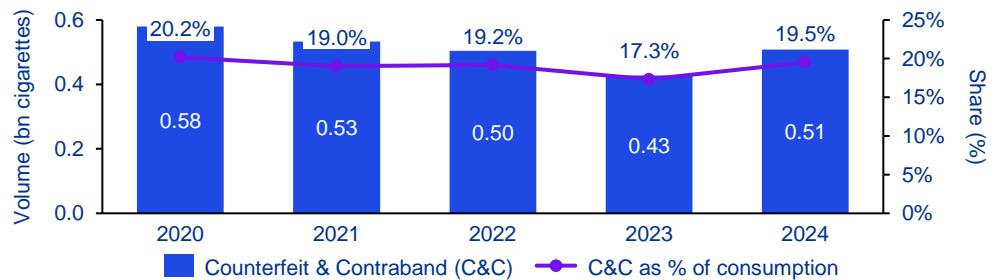
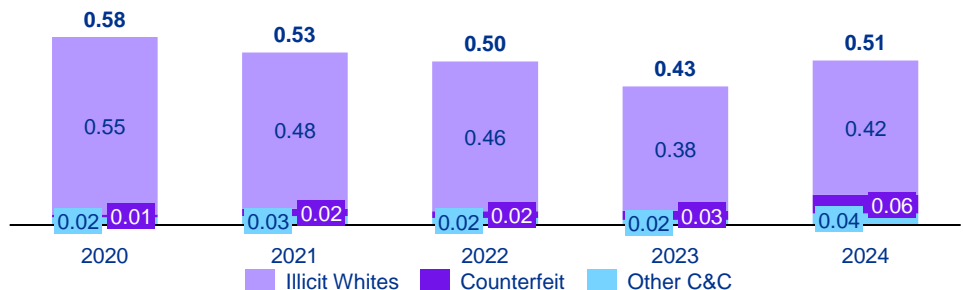
Total tax revenue lost from C&C^(b)

+€21m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾


— C&C as a share of total cigarette consumption increased by 2.2pts to 19.5% in 2024, with an increase in all categories of illicit consumption

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}


Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Lithuania Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	2.41	2.36	2.19	2.05	2.03	(1%)
Outflows	(0.16)	(0.15)	(0.15)	(0.13)	(0.12)	(7%)
Legal Domestic Consumption (LDC)	2.26	2.21	2.04	1.92	1.91	(1%)
Non-Domestic Legal (ND(L))	0.04	0.05	0.09	0.12	0.18	55%
Counterfeit and Contraband (C&C)	0.58	0.53	0.50	0.43	0.51	19%
Total Non-Domestic	0.62	0.58	0.59	0.55	0.69	26%
Total Consumption	2.88	2.80	2.63	2.47	2.60	5%

- Total consumption increased by 5% in 2024, driven by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 26%, with increased inflows from Belarus as well as 'Other' smaller source markets
- Outflows decreased by 7%, with outflows to the main destination markets remaining relatively stable

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Lithuania					
Billion cigarettes	2020	2021	2022	2023	2024
Belarus	0.55	0.49	0.46	0.39	0.44
Other	0.07	0.10	0.13	0.16	0.25
Total Inflows	0.62	0.58	0.59	0.55	0.69

Total outflows by destination – 2020-2024^{(1)(a)}

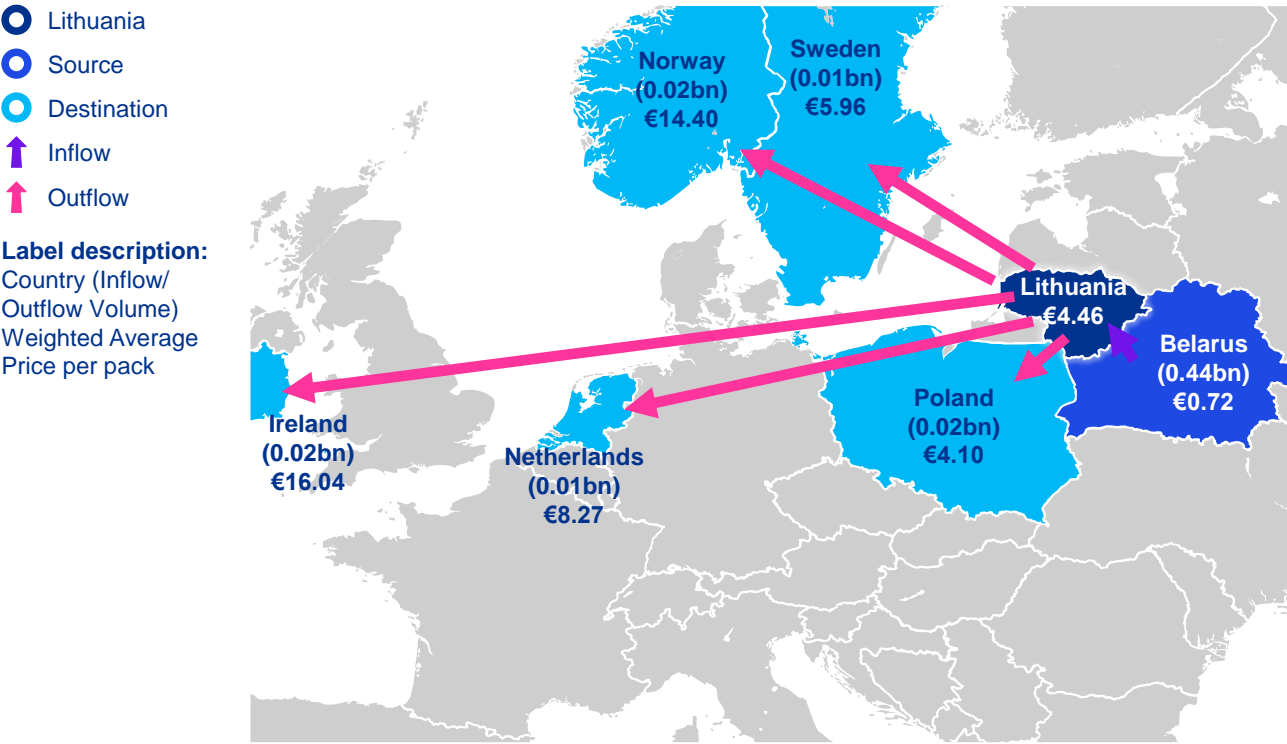
Outflows from Lithuania					
Billion cigarettes	2020	2021	2022	2023	2024
Poland	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)
Norway	(0.02)	(0.03)	(0.02)	(0.02)	(0.02)
Ireland	(0.02)	(0.01)	(0.02)	(0.01)	(0.02)
Netherlands	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)
Sweden	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)
Other	(0.08)	(0.09)	(0.09)	(0.06)	(0.05)
Total Outflows	(0.16)	(0.15)	(0.15)	(0.13)	(0.12)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

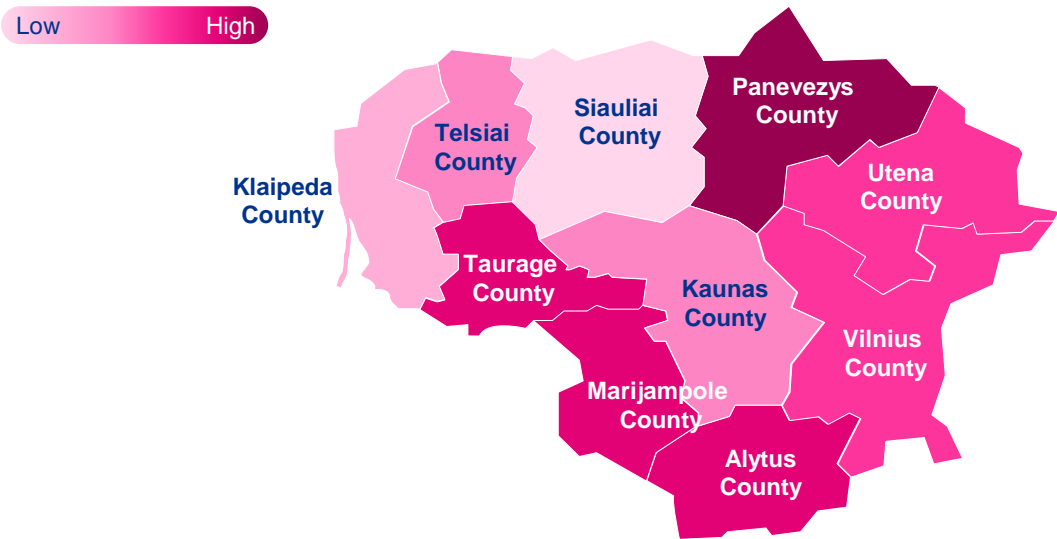
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

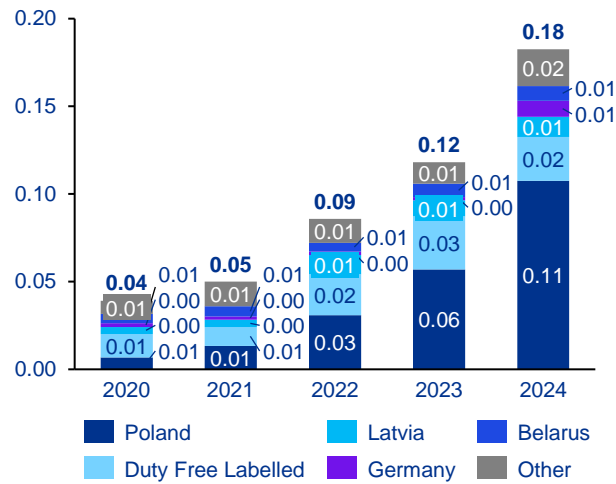


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

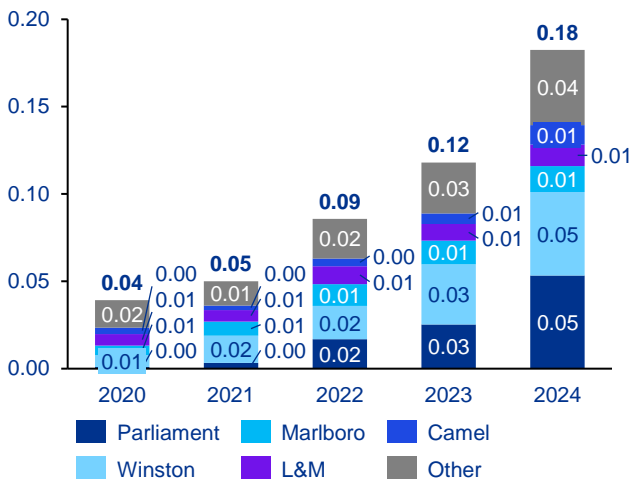
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

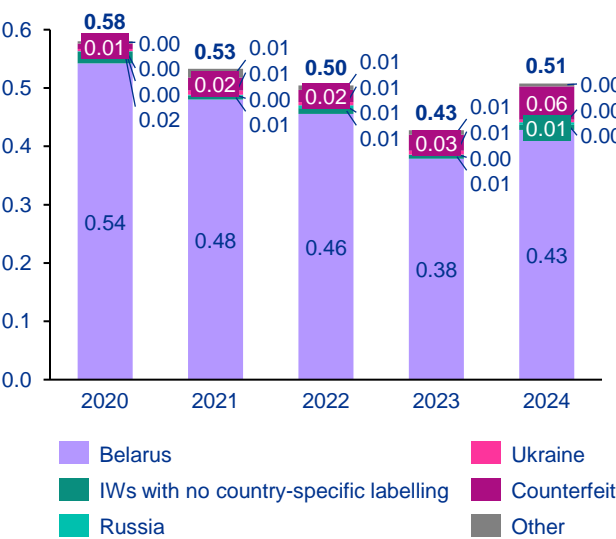


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

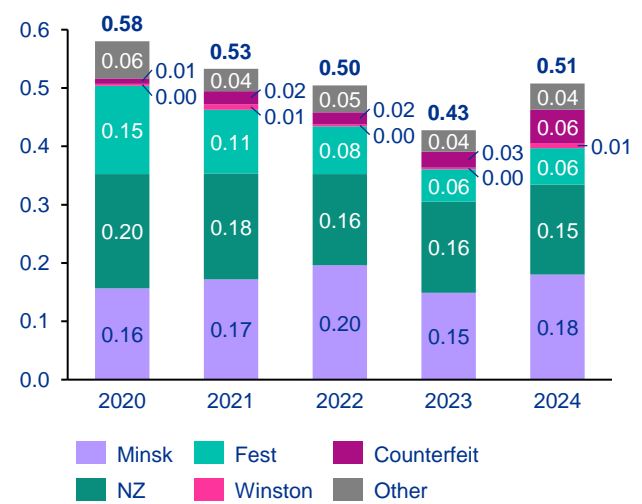


- Legal inflows (ND(L)) increased in 2024, driven by legal Polish inflows
- Belarus continues to account for ~85% of total illicit (C&C) inflows, with NZ, Minsk and Fest the most prevalent brands

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024

Luxembourg



C&C cigarette consumption and total consumption

0.7bn

Cigarettes consumed

↔ 0.00bn
on 2023

0.009bn

C&C cigarettes consumed

↑ +0.002bn
on 2023

1.4%

Of total consumption was C&C

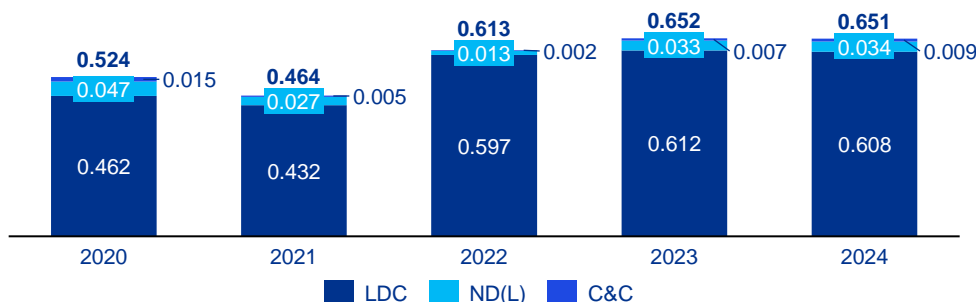
↑ +0.29ppt
on 2023

€1.6m

Total tax revenue lost from C&C^(b)

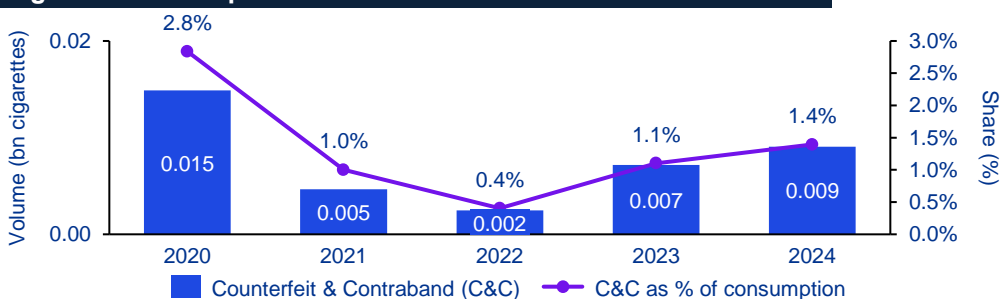
↑ +€0.4m
on 2023

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

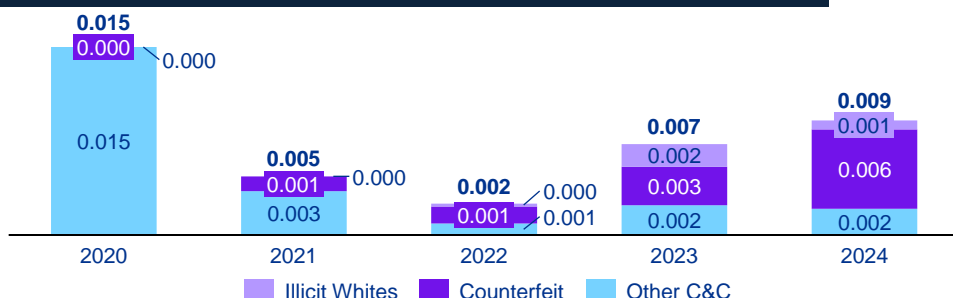


— C&C accounted for 1.4% of total cigarette consumption in 2024, an increase over 2023

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}



Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Luxembourg Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	3.21	3.53	4.04	4.34	5.08	17%
Outflows	(2.74)	(3.09)	(3.44)	(3.73)	(4.47)	20%
Legal Domestic Consumption (LDC)	0.46	0.43	0.60	0.61	0.61	(1%)
Non-Domestic Legal (ND(L))	0.05	0.03	0.01	0.03	0.03	4%
Counterfeit and Contraband (C&C)	0.01	0.00	0.00	0.01	0.01	26%
Total Non-Domestic	0.06	0.03	0.02	0.04	0.04	8%
Total Consumption	0.52	0.46	0.61	0.65	0.65	(0%)

- Total cigarette consumption and Non-Domestic inflows remained in line with 2023
- Outflows increased by 20%, with increased outflows to Germany, Belgium and 'Other' smaller markets, partly offset by reduced outflows to France

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Luxembourg					
Billion cigarettes	2020	2021	2022	2023	2024
Belgium	0.03	0.01	0.00	0.01	0.01
Counterfeit	0.00	0.00	0.00	0.00	0.01
France	0.01	0.01	0.00	0.01	0.01
Germany	0.01	0.00	0.00	0.01	0.00
Other	0.03	0.01	0.01	0.01	0.01
Total Inflows	0.06	0.03	0.02	0.04	0.04

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Luxembourg					
Billion cigarettes	2020	2021	2022	2023	2024
Germany	(0.43)	(0.37)	(0.55)	(0.64)	(0.75)
Belgium	(0.26)	(0.43)	(0.43)	(0.46)	(0.74)
France	(0.72)	(1.10)	(0.89)	(1.10)	(0.66)
Other	(1.33)	(1.19)	(1.58)	(1.52)	(2.31)
Total Outflows	(2.74)	(3.09)	(3.44)	(3.73)	(4.47)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

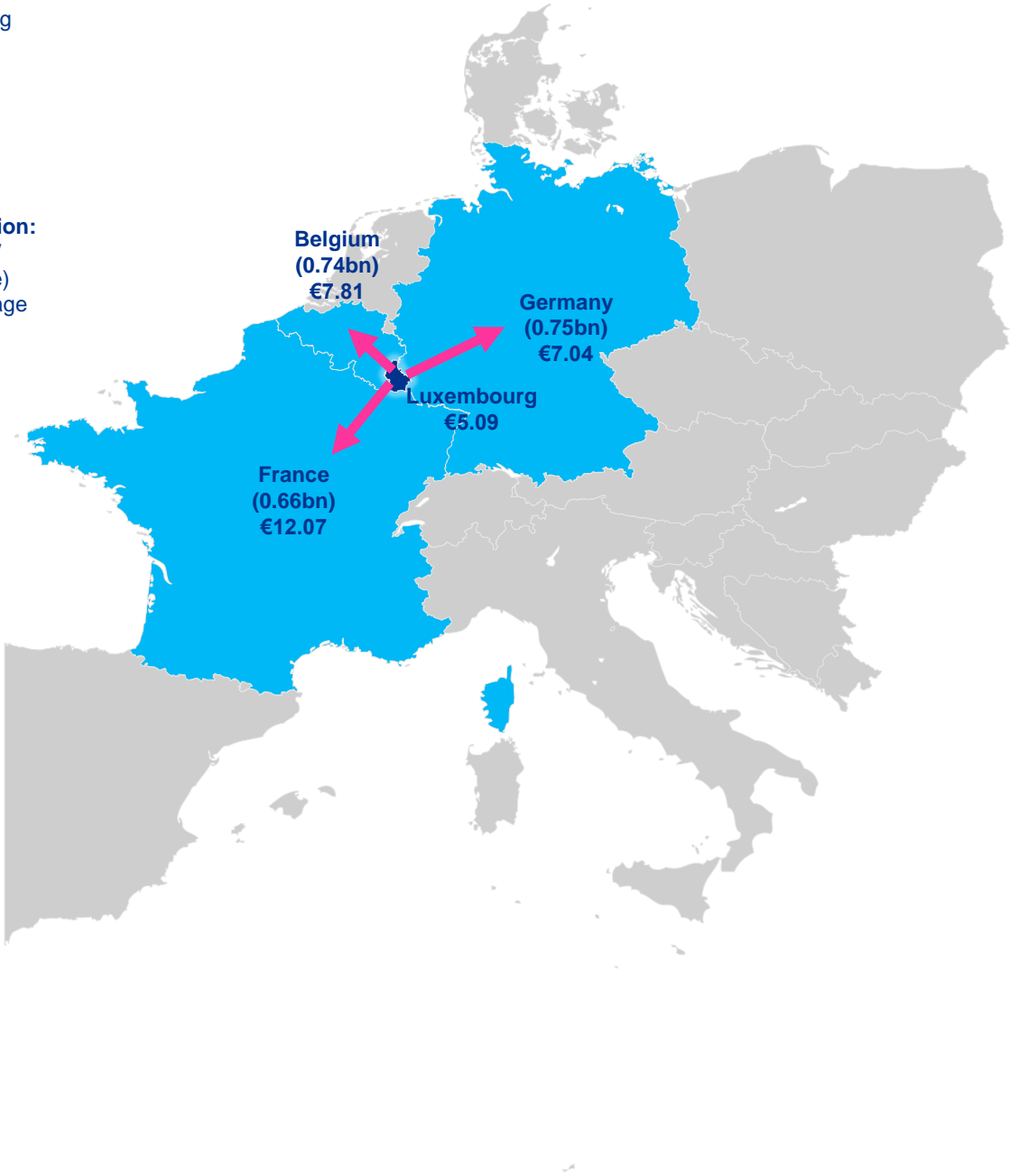
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows

Key inflows and outflows^{(1)(a)}

- Luxembourg
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack

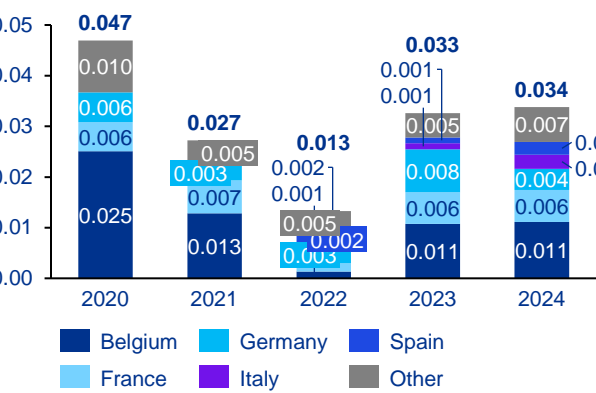


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown

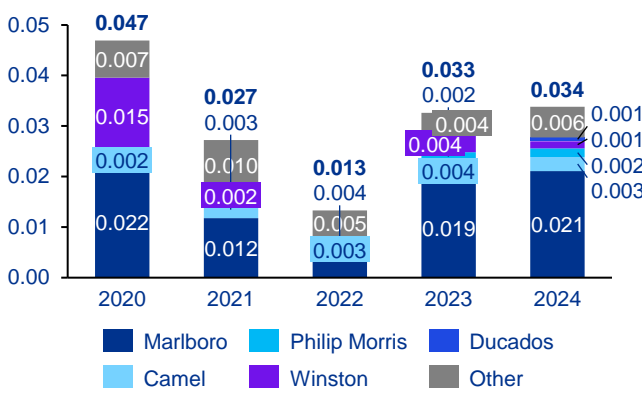
Source: (1) KPMG European Flows Calculation 2024;; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

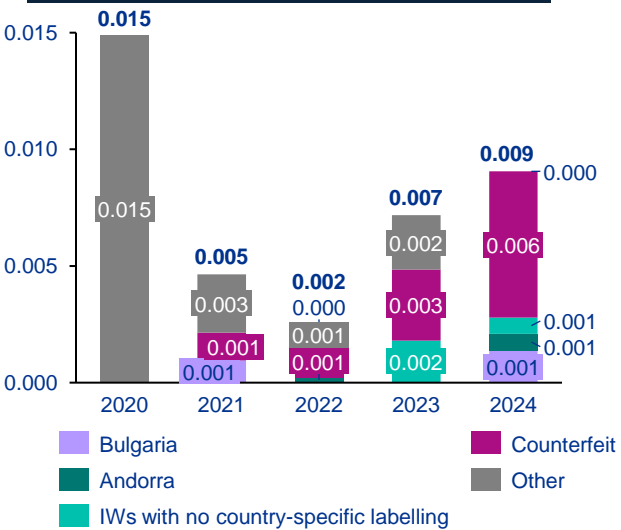


ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

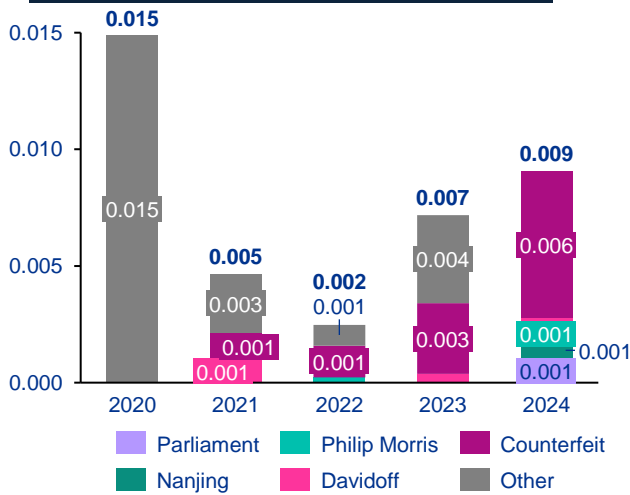


- Legal inflows (ND(L)) remained relatively stable in 2024
- Illicit inflows (C&C) increased, predominantly driven by Counterfeit

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



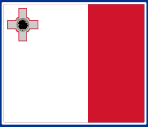
C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



Note: (a) Due to rounding, segments highlighted in the charts may not add up to the total (b) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Malta



0.7bn

Cigarettes consumed

+0.07bn
on 2023

0.032bn

C&C cigarettes consumed

+0.005bn
on 2023

4.9%

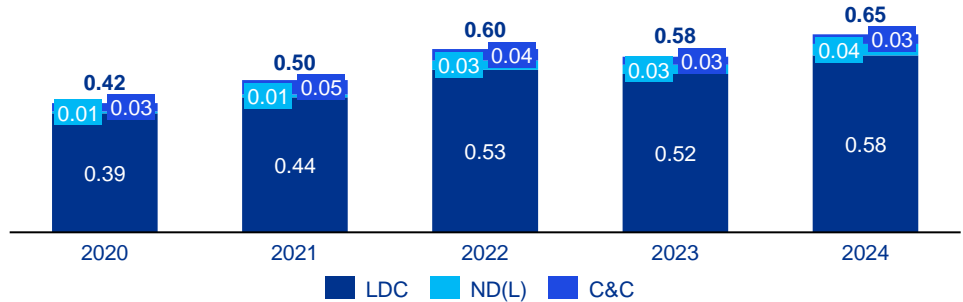
Of total consumption was C&C

+0.2ppts
on 2023

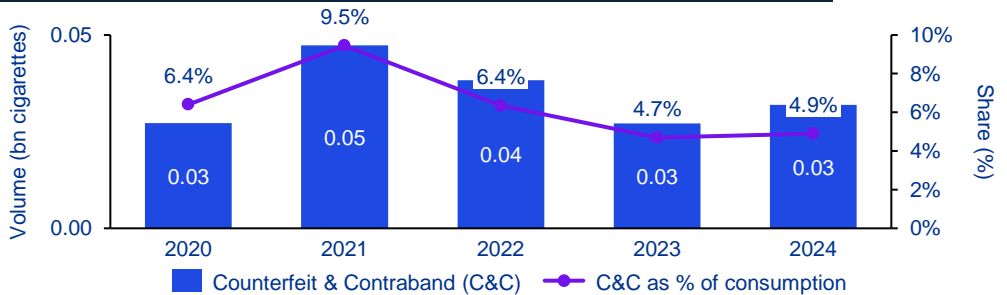
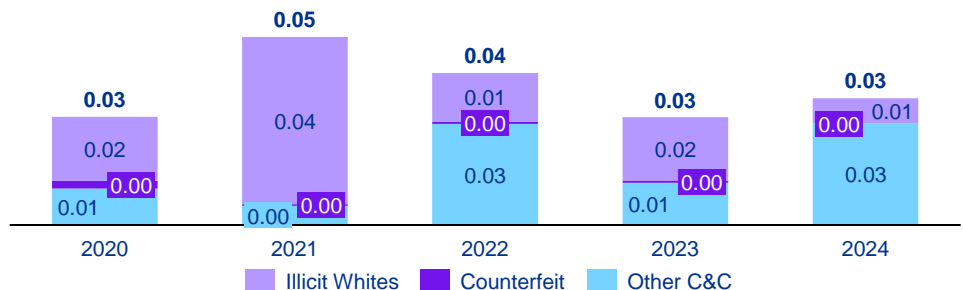
€7m

Total tax revenue lost from C&C^(b)+€1m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total cigarette consumption remained relatively stable in 2024 at 4.9%
- Whilst C&C volumes remained similar, there was a mix change towards Other C&C and away from Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Malta Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	0.44	0.47	0.57	0.57	0.63	10%
Outflows	(0.05)	(0.02)	(0.04)	(0.05)	(0.05)	(4%)
Legal Domestic Consumption (LDC)	0.39	0.44	0.53	0.52	0.58	12%
Non-Domestic Legal (ND(L))	0.01	0.01	0.03	0.03	0.04	26%
Counterfeit and Contraband (C&C)	0.03	0.05	0.04	0.03	0.03	18%
Total Non-Domestic	0.03	0.06	0.07	0.06	0.07	22%
Total Consumption	0.42	0.50	0.60	0.58	0.65	13%

- Total consumption increased by 13% in 2024, underpinned by an increase in Legal Domestic Sales
- Non-Domestic inflows increased in 2024, with an increase in inflows from Italy, Poland and ‘Other’ smaller markets
- Outflows from Malta remained stable

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Malta					
Billion cigarettes	2020	2021	2022	2023	2024
Italy	0.00	0.00	0.01	0.01	0.02
Duty Free Labelled	0.01	0.00	0.01	0.01	0.01
Poland	0.00	0.00	0.00	0.00	0.01
Other	0.02	0.05	0.04	0.03	0.04
Total Inflows	0.03	0.06	0.07	0.06	0.07

Total outflows by destination – 2020-2024^{(1)(a)}

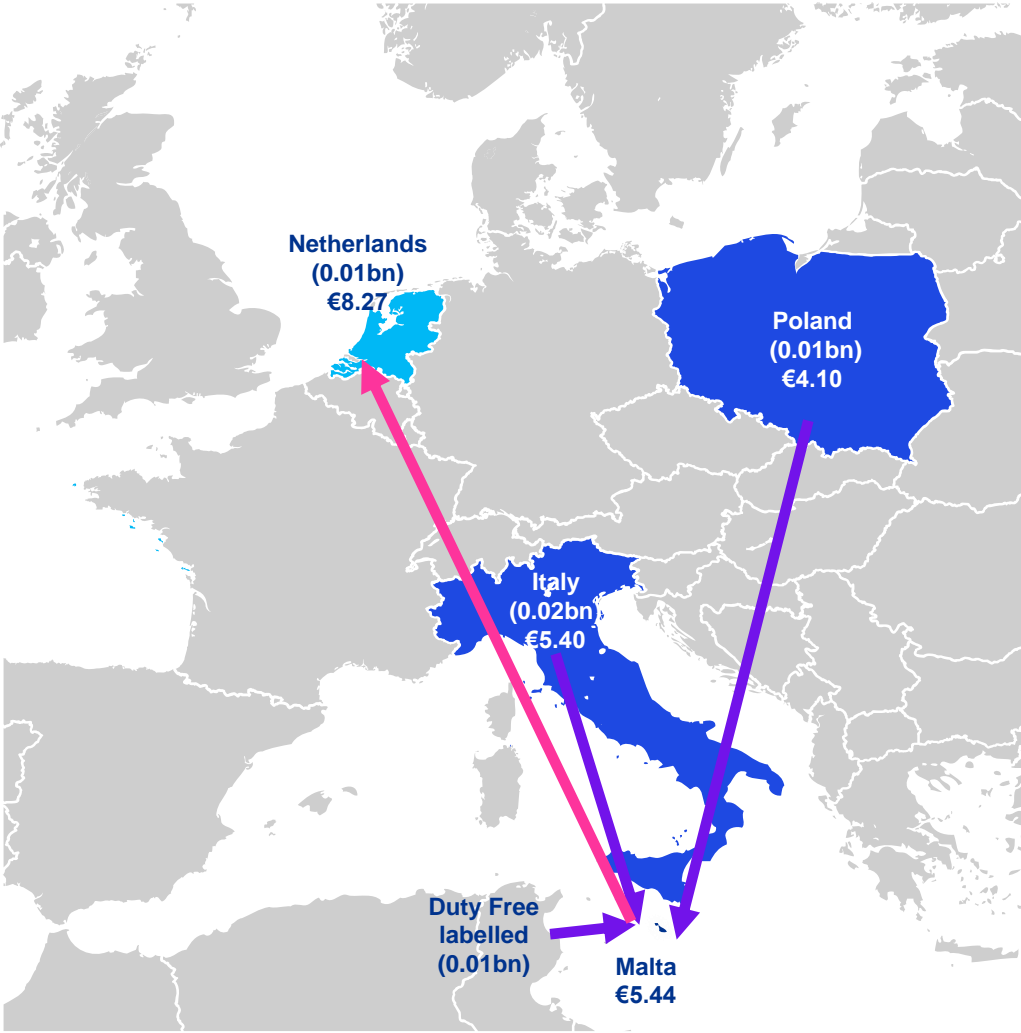
Outflows from Malta					
Billion cigarettes	2020	2021	2022	2023	2024
Italy	0.00	(0.00)	(0.01)	(0.01)	(0.01)
Netherlands	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Other	(0.04)	(0.02)	(0.03)	(0.03)	(0.03)
Total Outflows	(0.05)	(0.02)	(0.04)	(0.05)	(0.05)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows

Key inflows and outflows^{(1)(a)}

- Malta
 - Source
 - Destination
 - Inflow
 - Outflow
- Label description:**
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack

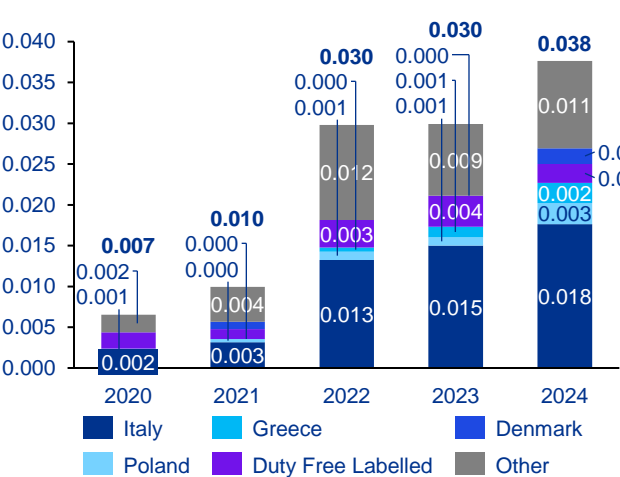


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown

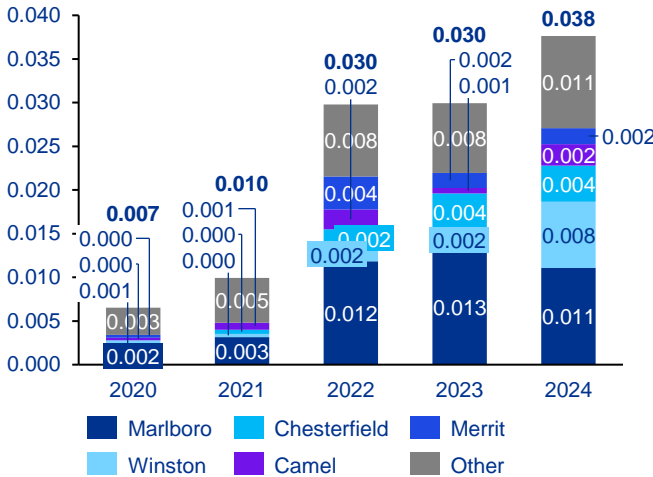
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

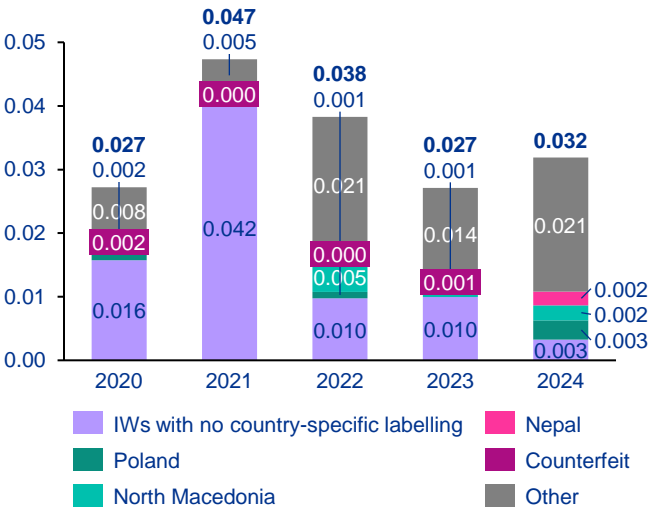


ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

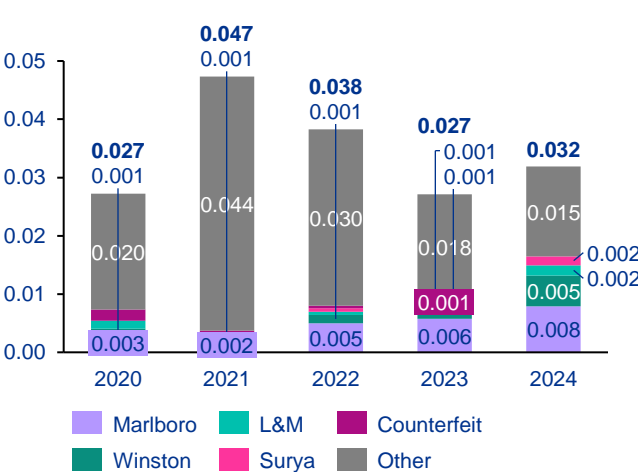


- Legal inflows (ND(L)) increased in 2024 reaching the highest level recorded during the reporting period, with increases from all main sources apart from Duty Free Labelled which decreased marginally
- An increase in C&C flows was primarily driven by an increase in illicit flows from 'Other' smaller markets. This was partly offset by declining flows of Illicit Whites with no country-specific labelling

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



Note: (a) Due to rounding, segments highlighted in the charts may not add up to the total (b) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024



Moldova



2.5bn

Cigarettes consumed

+0.10bn
on 2023

0.02bn

C&C cigarettes consumed

-0.22bn
on 2023

0.6%

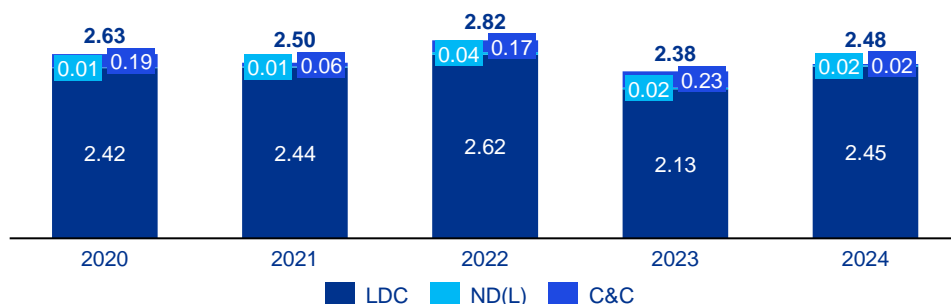
Of total consumption was C&C

-9.16ppt on
2023

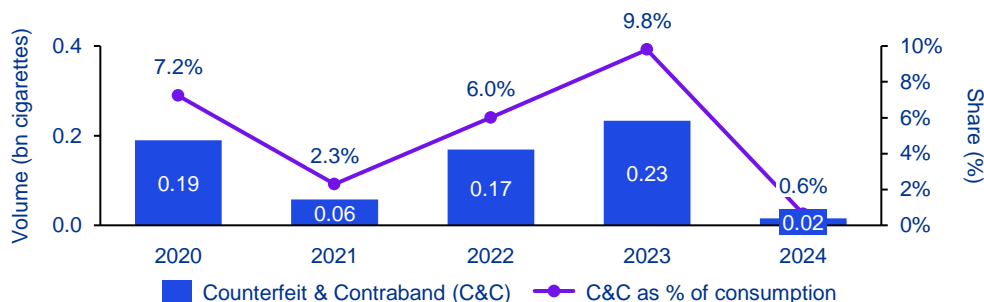
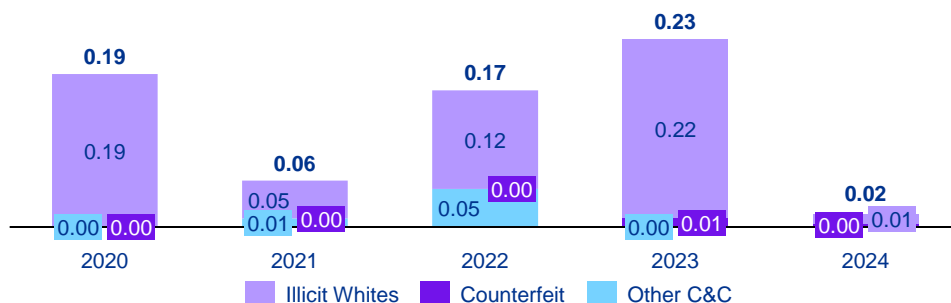
€1m

(L27.35m)⁽³⁾Total tax revenue lost from C&C^(b)-€21m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

— C&C as a share of total consumption decreased by 9.2ppts to 0.6% in 2024, driven by a decline in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024(bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data (3) EUR 1 = L 19.29, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024^{(1)(2)(a)(c)}

Total Moldova Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	2.95	2.85	2.99	2.50	2.70	8%
Outflows	(0.52)	(0.42)	(0.38)	(0.38)	(0.25)	(33%)
Legal Domestic Consumption (LDC)	2.42	2.44	2.62	2.13	2.45	15%
Non-Domestic Legal (ND(L))	0.01	0.01	0.04	0.02	0.02	(11%)
Counterfeit and Contraband (C&C)	0.19	0.06	0.17	0.23	0.02	(93%)
Total Non-Domestic	0.20	0.07	0.21	0.26	0.04	(86%)
Total Consumption	2.63	2.50	2.82	2.38	2.48	4%

- Total consumption increased by 4% in 2024, with an increase in Legal Domestic consumption partly offset by a decrease in Non-Domestic inflows
- Non-Domestic inflows decreased in 2024, driven by reduced inflows of Illicit Whites
- Outflows decreased by 33%, with outflows to France and Romania as well as 'Other' smaller destinations

Total inflows by country of origin – 2020-2024^{(1)(b)(c)}

Inflows to Moldova

Billion cigarettes	2020	2021	2022	2023	2024
Illicit Whites	Data not comparable ^(a)	0.05	0.12	0.22	0.01
Other		0.02	0.08	0.03	0.02
Total Inflows		0.07	0.21	0.26	0.04

Total outflows by destination – 2020-2024^{(1)(b)}

Outflows from Moldova

Billion cigarettes	2020	2021	2022	2023	2024
France	(0.07)	(0.07)	(0.10)	(0.15)	(0.12)
Romania	(0.35)	(0.21)	(0.17)	(0.13)	(0.05)
Other	(0.11)	(0.14)	(0.10)	(0.10)	(0.08)
Total Outflows	(0.52)	(0.42)	(0.38)	(0.38)	(0.25)

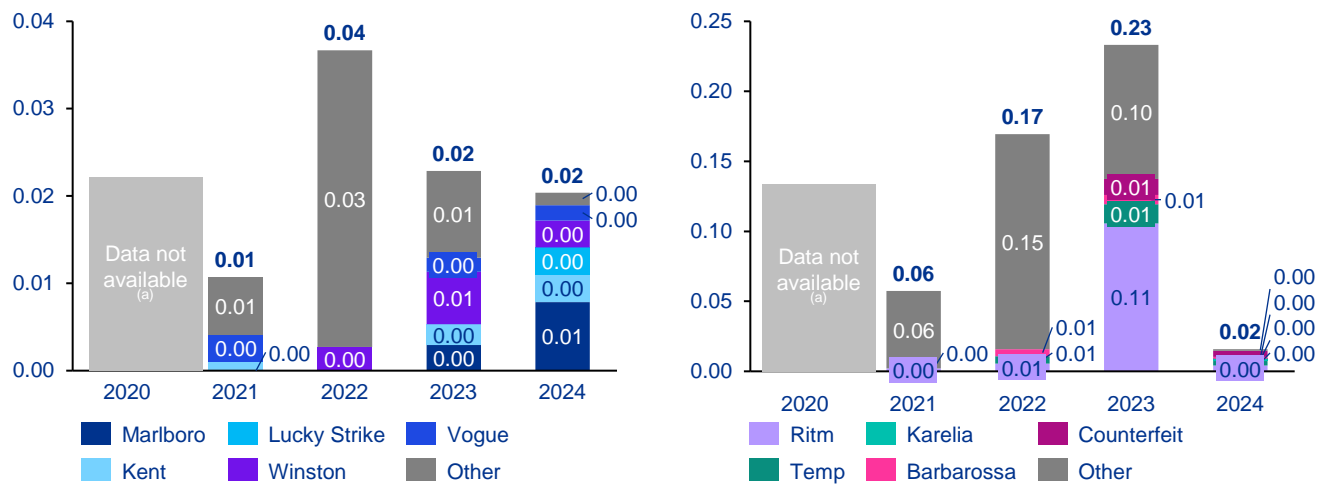
Note: (a) In 2021, Moldova switched from a PMI-commissioned empty pack survey to pack swap surveys commissioned by Big-4 industry participants. Therefore, given the change in methodology, trends may not be directly comparable between 2020 and 2021-24 (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows (c) Non-Domestic Duty Paid and Duty Free are considered ND(L), Illicit Whites and Others are considered C&C

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

ND(L) and C&C flows

ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



- Legal inflows (ND(L)) decreased in 2024, driven by a decline in smaller volume brand inflows grouped together within 'Other'
- Illicit inflows (C&C) also decreased, driven by reduced illicit flows of the brand Ritm alongside smaller volume brand inflows grouped together within 'Other'

Note: (a) In 2021, Moldova switched from a PMI-commissioned empty pack survey to pack swap surveys commissioned by Big-4 industry participants. Classification of origin of inflows in these studies is not directly comparable with the classification used in the empty pack surveys. Therefore, the breakdown of inflows is only shown for 2021 and later; (b) Only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (c) Please note, details about country of origin are not available in Moldovan pack swap survey. Hence, ND(L) and C&C by country of origin cannot be estimated.

Source: (1) KPMG European Flows Calculation, 2020-2024;



Montenegro



C&C cigarette consumption and total consumption

1.3bn

Cigarettes consumed

+0.11bn on 2023

0.1bn

C&C cigarettes consumed

+0.03bn on 2023

8.4%

Of total consumption was C&C

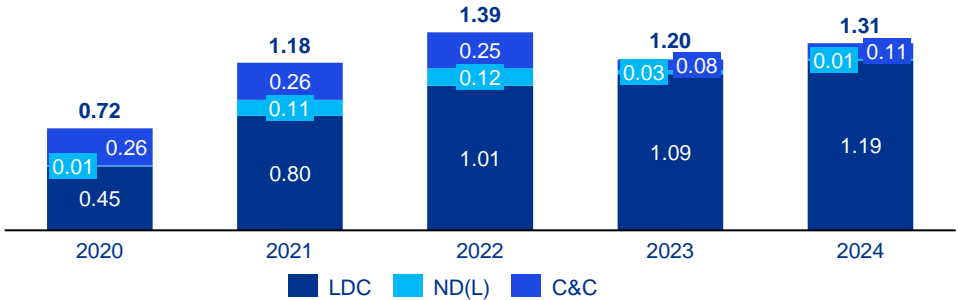
+2.05ppt on 2023

€13m

Total tax revenue lost from C&C in 2023^(c)

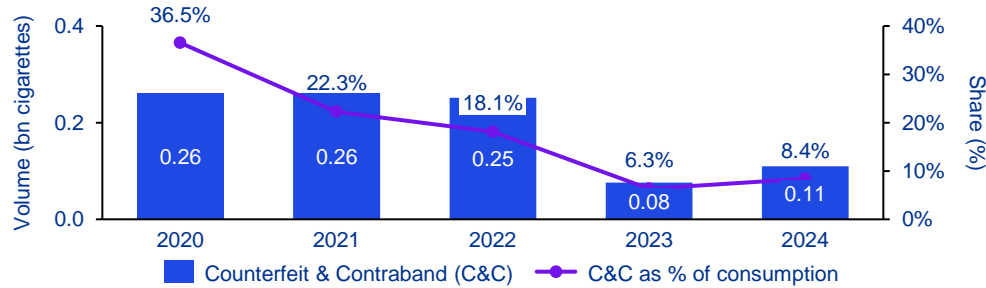
+€4m on 2023

Total consumption – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

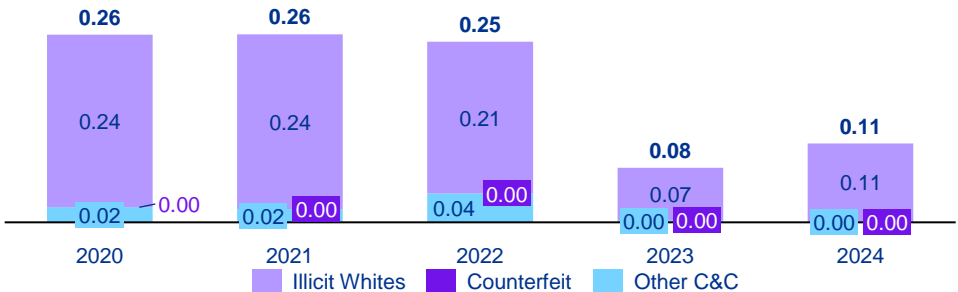


- C&C as a share of total consumption increased by 2.1ppts to 8.4% in 2024, driven by an increase in Illicit Whites.
- The majority of the Illicit Whites in 2024 (~91%) bore Kosovan labelling. Illicit Whites with no country-specific labelling accounted for almost all the remaining Illicit Whites inflows

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024^{(1)(2)(a)}



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)(b)}



Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Montenegro Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	0.47	0.82	1.05	1.12	1.22	9%
Outflows	(0.03)	(0.02)	(0.04)	(0.02)	(0.03)	23%
Legal Domestic Consumption (LDC)	0.45	0.80	1.01	1.09	1.19	9%
Non-Domestic Legal (ND(L))	0.01	0.11	0.12	0.03	0.01	(62%)
Counterfeit and Contraband (C&C)	0.26	0.26	0.25	0.08	0.11	45%
Total Non-Domestic	0.27	0.37	0.37	0.10	0.12	17%
Total Consumption	0.72	1.18	1.39	1.20	1.31	9%

- Total consumption increased by 9% in 2024, driven by an increase in both Legal Domestic Consumption and Non-Domestic consumption
- Increased Non-Domestic inflows were primarily driven by increased inflows from Kosovo, partly offset by lower flows of Illicit Whites with no country-specific labelling and flows from smaller source markets grouped together within 'Other'
- Outflows from Montenegro were relatively low, and are primarily to Italy and neighbouring Balkan markets

Total inflows by country of origin – 2020-2024^{(1)(a)(b)}

Inflows to Montenegro					
Billion cigarettes	2020	2021	2022	2023	2024
Kosovo	0.00	0.05	0.16	0.03	0.10
IWs with no country-specific labelling	0.23	0.19	0.08	0.04	0.01
Other	0.04	0.13	0.14	0.03	0.01
Total Inflows	0.27	0.37	0.37	0.10	0.12

Total outflows by destination – 2020-2024^{(1)(a)(b)}

Outflows from Montenegro					
Billion cigarettes	2020	2021	2022	2023	2024
Italy	0.00	0.00	0.00	0.00	(0.00)
Bosnia and Herzegovina	(0.01)	(0.00)	(0.02)	0.00	(0.00)
Serbia	0.00	(0.01)	0.00	(0.00)	(0.00)
Other	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)
Total Outflows	(0.03)	(0.02)	(0.04)	(0.02)	(0.03)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows (b) As empty pack surveys were not conducted in Albania and Serbia in 2020, outflows shown to Albania and Serbia in 2020 are an extrapolation of Non-Domestic share per the 2020 and 2021 empty pack surveys respectively for those markets and should be treated as indicative only

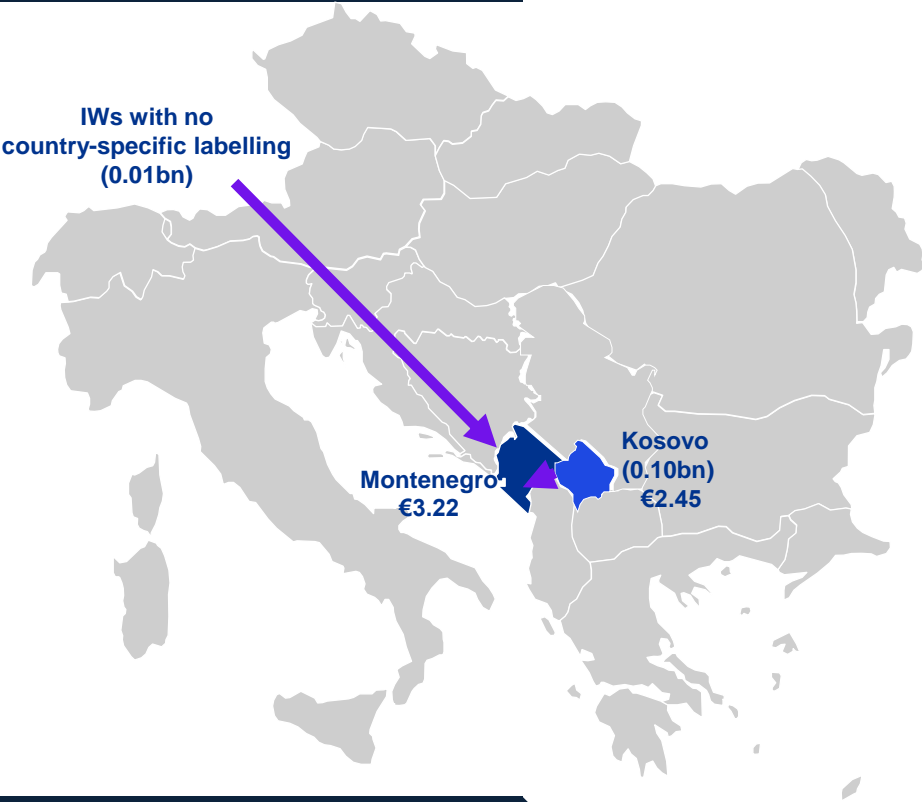
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

- Montenegro
- Source
- Destination
- ↑ Inflow
- ↑ Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

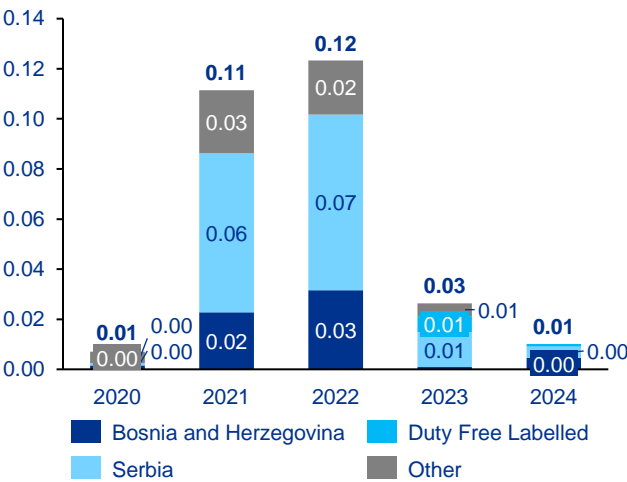


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

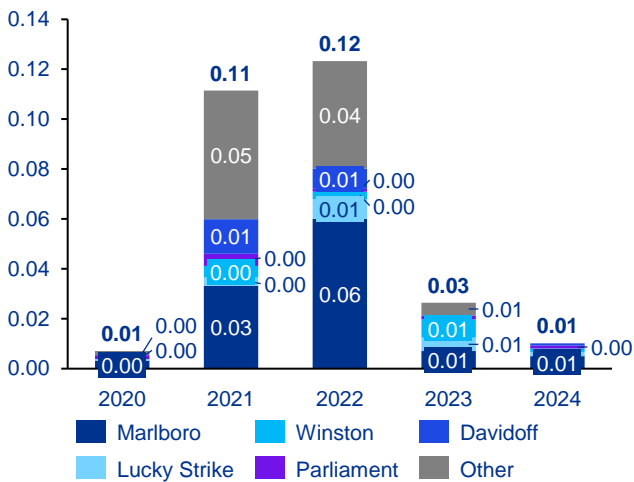
Source: (1) KPMG European Flows Calculation 2024 ; (2) Prices and tax rates, EC Excise Duty, 2024 (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

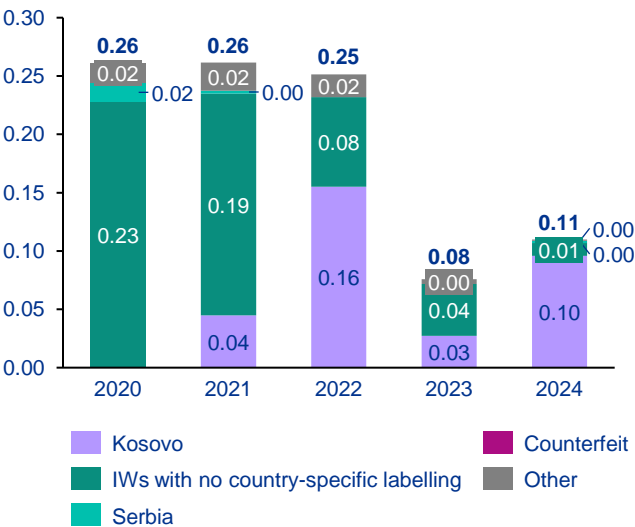


ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

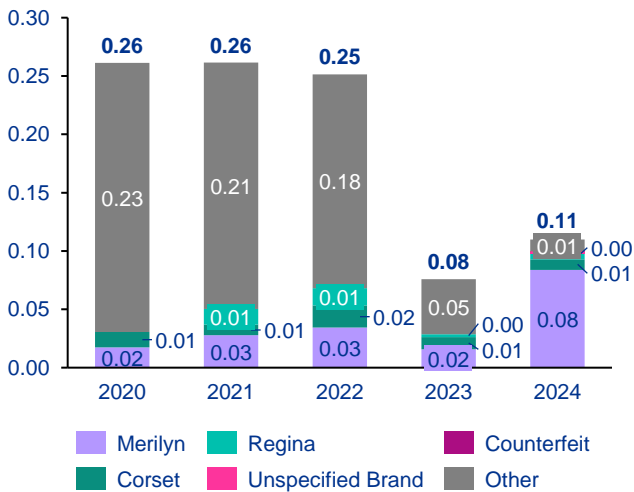


- Legal inflows (ND(L)) declined by 62% in 2024, with reduced legal inflows from all sources
- Illicit inflows (C&C) increased by 45%, with Kosovo accounting for ~90% of illicit inflows in 2024 following an ongoing volume decline in Illicit Whites with no country-specific labelling
- At a brand level, Marilyn accounted for ~70% of illicit inflows in 2024

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



Note: (a) ND(L) and C&C country / brand breakdowns are only shown for the years where an empty pack survey was undertaken (b) Only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024



Netherlands



10.7bn

Cigarettes consumed

+0.06bn
on 2023

1.9bn

C&C cigarettes consumed

+1.1bn
on 2023

17.9%

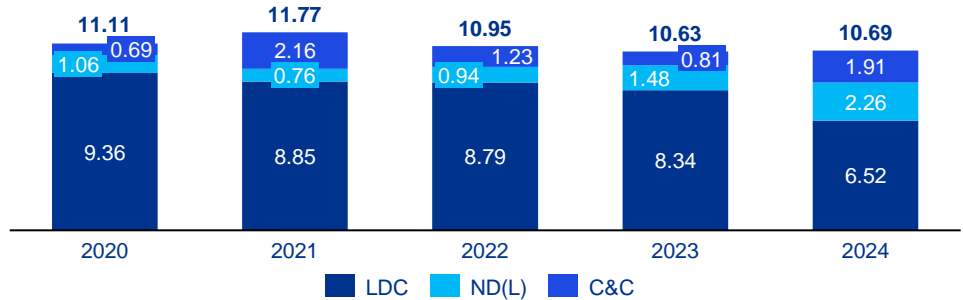
Of total consumption was C&C

+10.23ppt
on 2023

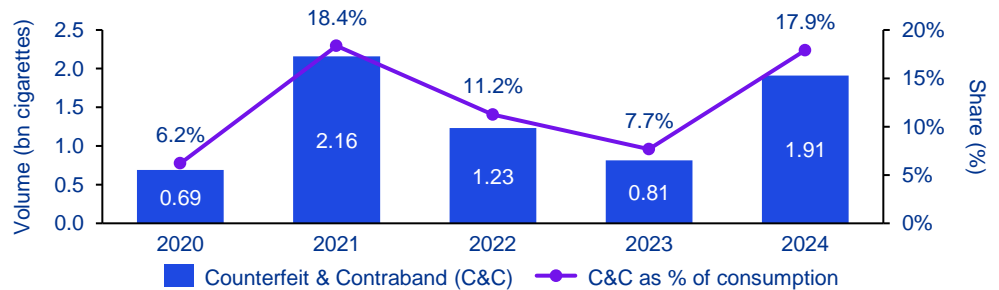
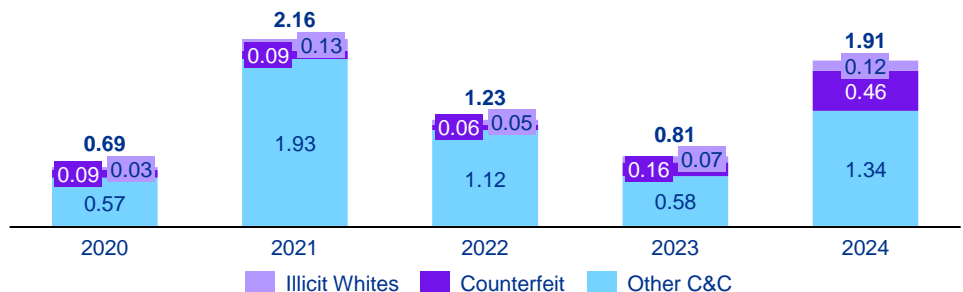
€869m

Total tax revenue lost from C&C^(b)+€580m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total consumption increased by 10.2ppts to 17.9% in 2024, returning to similar levels as observed in 2021, driven by an increase in Other C&C and Counterfeit

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Netherlands Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	9.56	9.08	9.01	8.64	6.73	(22%)
Outflows	(0.20)	(0.23)	(0.22)	(0.31)	(0.21)	(32%)
Legal Domestic Consumption (LDC)	9.36	8.85	8.79	8.34	6.52	(22%)
Non-Domestic Legal (ND(L))	1.06	0.76	0.94	1.48	2.26	53%
Counterfeit and Contraband (C&C)	0.69	2.16	1.23	0.81	1.91	135%
Total Non-Domestic	1.75	2.92	2.17	2.29	4.17	82%
Total Consumption	11.11	11.77	10.95	10.63	10.69	1%

- Total cigarette consumption increased by 1% in 2024, with a decrease in Legal Domestic Consumption more than offset by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 82%, reaching the highest levels recorded during the reporting period. This was driven by increased flows from all major source markets as well as smaller source markets grouped together within 'Other'
- Outflows decreased by 32%, with a decline in outflows to France and Germany as well as smaller destination markets grouped together within 'Other'

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Netherlands					
Billion cigarettes	2020	2021	2022	2023	2024
Duty Free Labelled	0.14	0.21	0.19	0.35	0.50
Germany	0.22	0.23	0.19	0.29	0.49
Counterfeit	0.09	0.09	0.06	0.16	0.46
Spain	0.08	0.05	0.07	0.13	0.41
Poland	0.08	0.11	0.18	0.19	0.26
Other	1.14	2.23	1.49	1.17	2.05
Total Inflows	1.75	2.92	2.17	2.29	4.17

Total outflows by destination – 2020-2024^{(1)(a)}

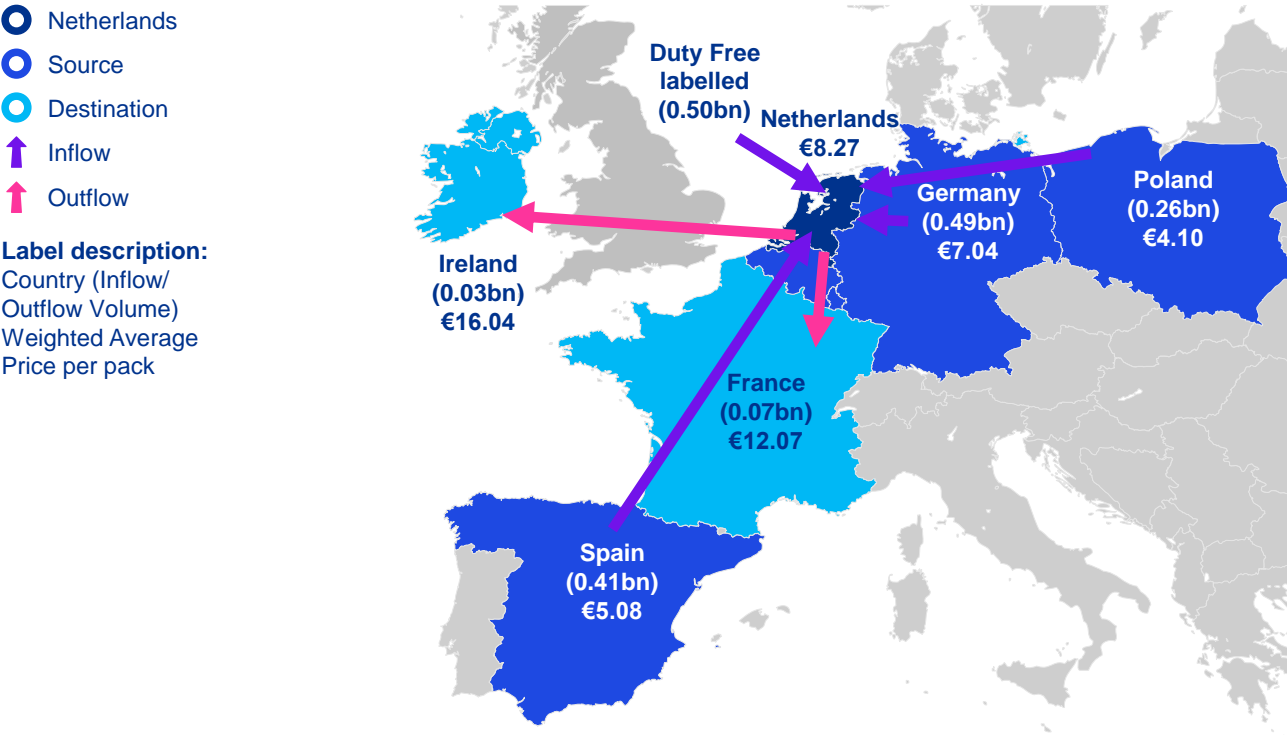
Outflows from Netherlands					
Billion cigarettes	2020	2021	2022	2023	2024
France	(0.03)	(0.11)	(0.06)	(0.11)	(0.07)
Germany	(0.06)	(0.04)	(0.04)	(0.08)	(0.06)
Ireland	(0.00)	(0.00)	(0.02)	(0.02)	(0.03)
Other	(0.11)	(0.08)	(0.11)	(0.09)	(0.05)
Total Outflows	(0.20)	(0.23)	(0.22)	(0.31)	(0.21)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

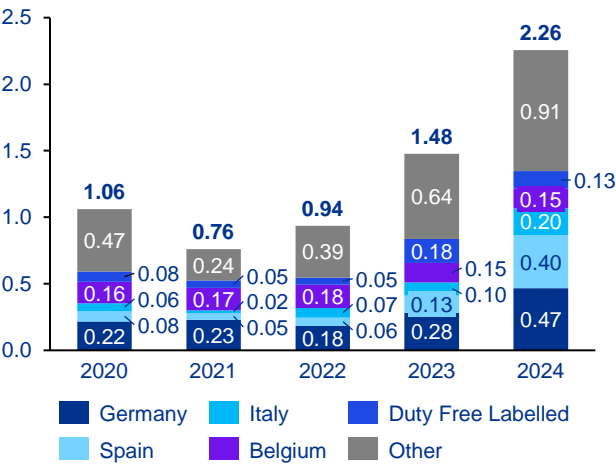


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

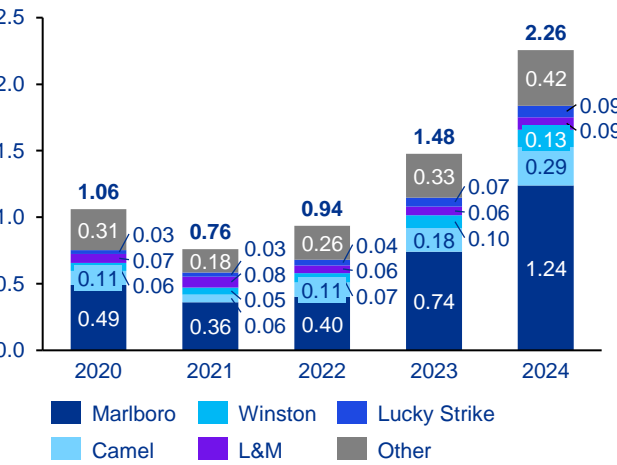
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

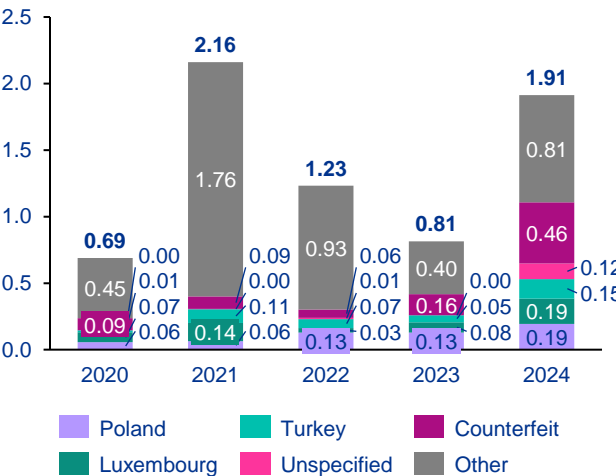


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

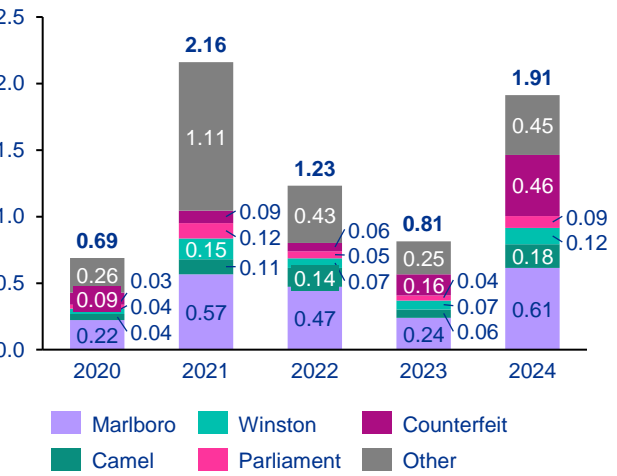


- Legal inflows (ND(L)) increased by 53% in 2024 to the highest levels observed during the reporting period, driven by higher flows from Germany, Spain and Italy, as well as ‘Other’ smaller source markets
- Illicit inflows (C&C) increased by 1.1bn cigarettes in 2024 to approach levels last seen in 2021, with higher illicit flows from all major sources as well as ‘Other’ smaller source markets

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024



North Macedonia



3.3bn

Cigarettes consumed



+0.05bn on 2023

0.1bn

C&C cigarettes consumed



+0.02bn on 2023

2.3%

Of total consumption was C&C



+0.65pt on 2023

€6m

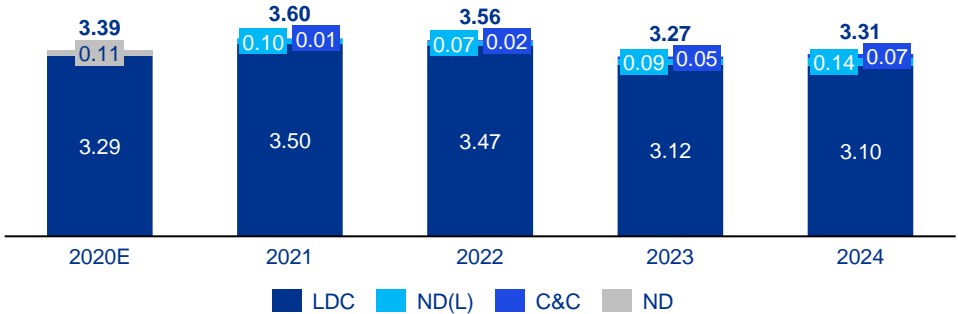
Total tax revenue lost from C&C in 2024^(c)



+2m on 2023

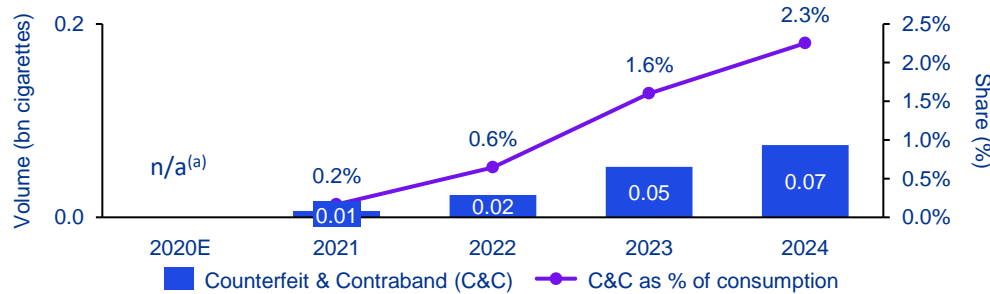
C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

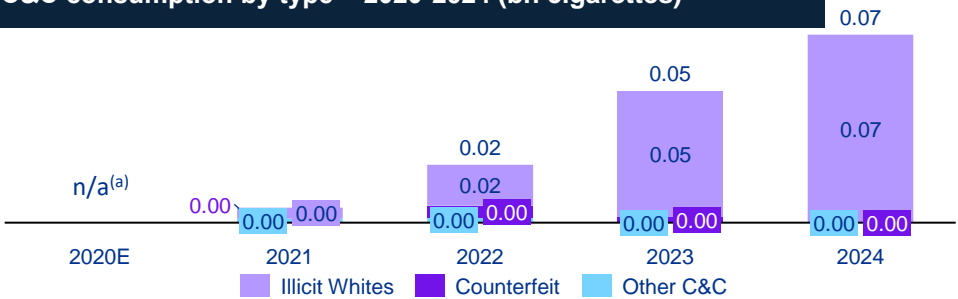


– C&C as a share of total consumption increased by 0.7ppts to 2.3% in 2024, driven by an increase in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024^{(1)(2)(a)}



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)(b)}



Note: (a) ND(L) and C&C detail is only shown for years with empty pack surveys (b) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (c) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (d) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024^{(1)(2)(a)}

Total North Macedonia Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	3.45	3.60	3.55	3.50	3.42	(2%)
Outflows	(0.17)	(0.10)	(0.08)	(0.38)	(0.32)	(15%)
Legal Domestic Consumption (LDC)	3.29	3.50	3.47	3.12	3.10	(1%)
Non-Domestic Legal (ND(L))		0.10	0.07	0.09	0.14	57%
Counterfeit and Contraband (C&C)		0.01	0.02	0.05	0.07	43%
Total Non-Domestic	0.11	0.10	0.09	0.14	0.21	52%
Total Consumption	3.39	3.60	3.56	3.27	3.31	1%

- Total consumption increased by 1% in 2024, with an increase in Non-Domestic consumption more than offsetting a decline in Legal Domestic Consumption
- A 52% increase in Non-Domestic inflows was driven by increased flows of Duty Free and Illicit Whites with no country-specific labelling
- Outflows decreased by 15%, with reduced outflows to Greece and Germany

Total inflows by country of origin – 2020-2024^{(1)(a)(b)}

Inflows to North Macedonia					
Billion cigarettes	2020	2021	2022	2023	2024
Duty Free Labelled		0.00	0.00	0.06	0.12
IWs with no country-specific labelling		0.00	0.01	0.05	0.07
Other		0.10	0.08	0.03	0.02
Total Inflows	0.11	0.10	0.09	0.14	0.21

Total outflows by destination – 2020-2024^{(1)(a)(b)}

Outflows from North Macedonia					
Billion cigarettes	2020	2021	2022	2023	2024
Greece		0.00	0.00	(0.17)	(0.10)
Austria		0.00	0.00	(0.08)	(0.09)
Germany		0.00	0.00	(0.04)	(0.02)
Kosovo		(0.01)	(0.01)	(0.00)	(0.01)
Other		(0.09)	(0.07)	(0.09)	(0.10)
Total Outflows	(0.17)	(0.10)	(0.08)	(0.38)	(0.32)

Note: (a) Detailed breakdowns of ND(L), C&C, inflows and outflows are only shown for years with empty pack surveys. Total Non-Domestic, and inflows and outflows totals for years where empty pack surveys were not conducted are estimates only based on extrapolations of empty pack survey results from the prior and following years (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

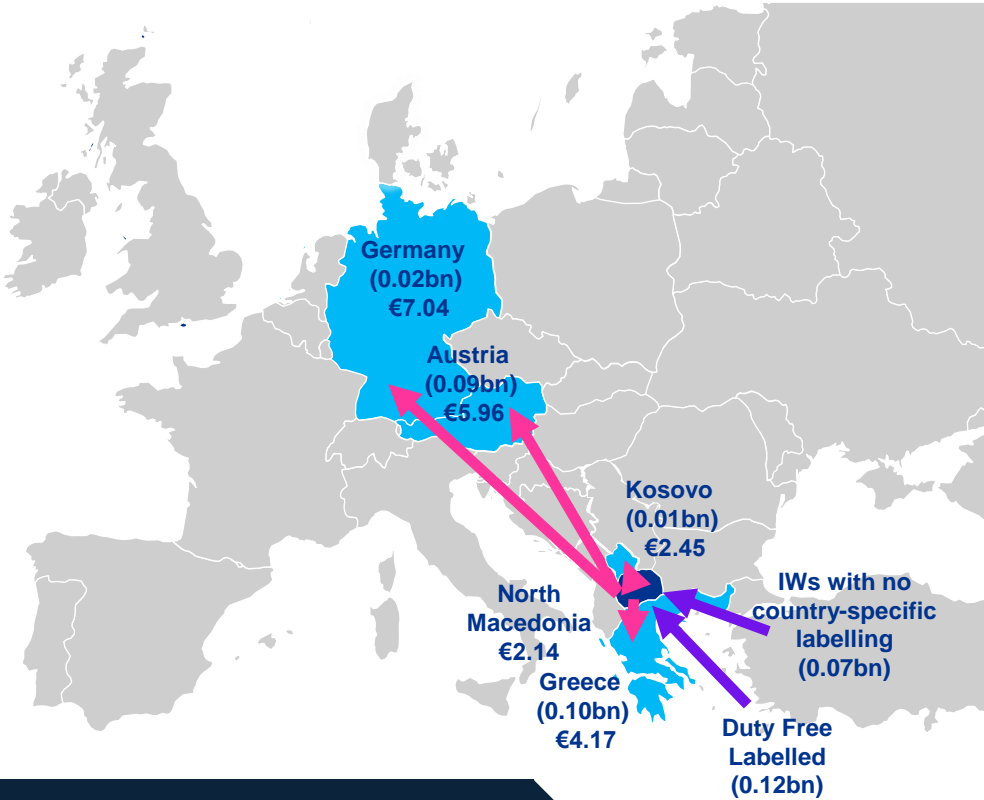
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

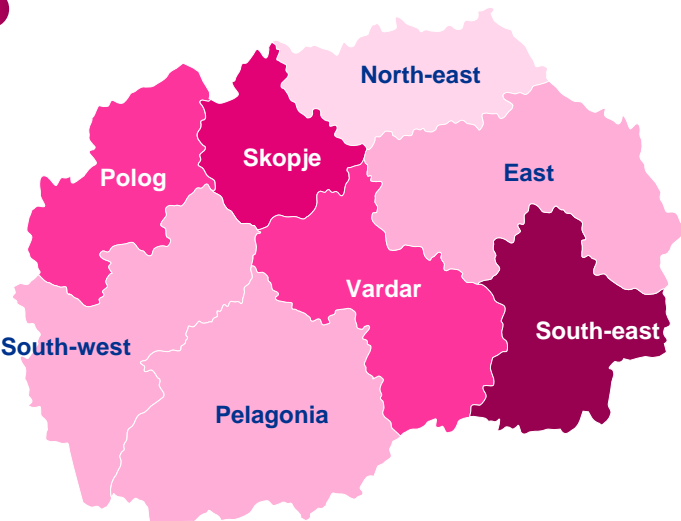
- North Macedonia
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

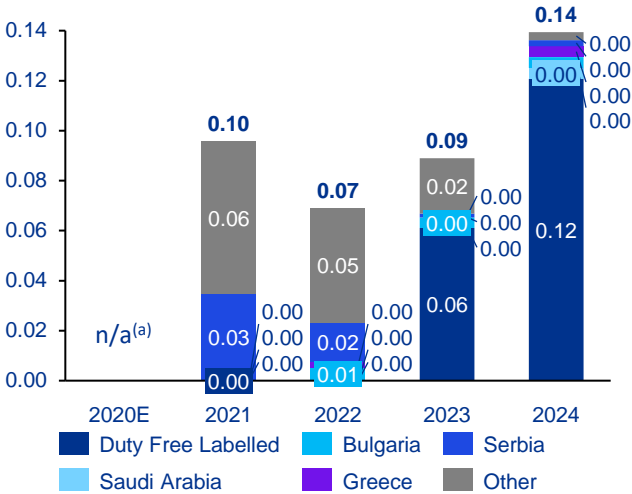


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

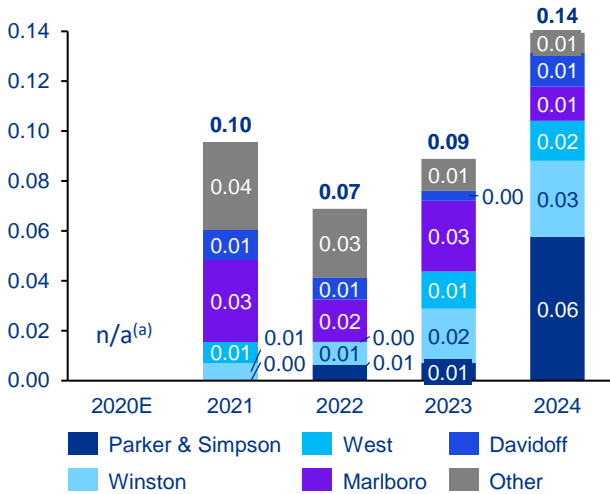
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

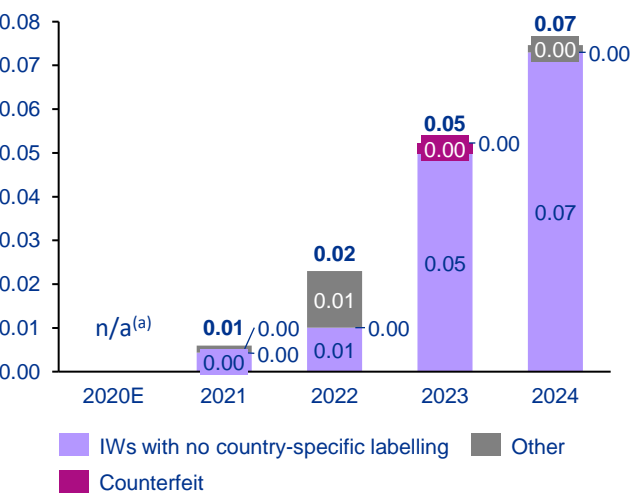


ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

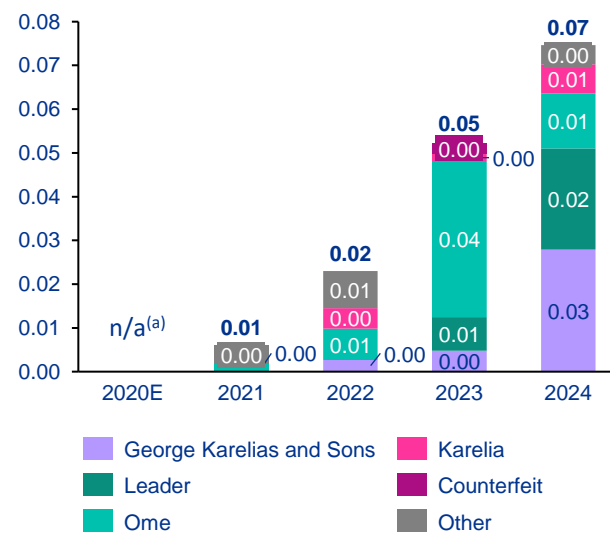


- Legal inflows (ND(L)) increased by 57% in 2024, with Duty Free accounting for approximately 86% of total legal inflows
- Illicit inflows (C&C) increased by 43%, predominantly driven by Illicit Whites with no country-specific labelling, which comprised nearly all illicit inflows
- At a brand level, George Karelias and Sons and Leader were the main contributors to the rise in illicit inflows for 2024, whereas illicit inflows of Ome declined

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

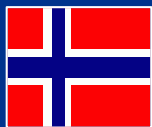


Note: (a) ND(L) and C&C country / brand breakdowns are only shown for the years where an empty pack survey was undertaken (b) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024



Norway



C&C cigarette consumption and total consumption

2.1bn

Cigarettes consumed

+0.06bn
on 2023

0.3bn

C&C cigarettes consumed

+0.01bn
on 2023

15.9%

Of total consumption was C&C

+0.06ppt
on 2023

€140m

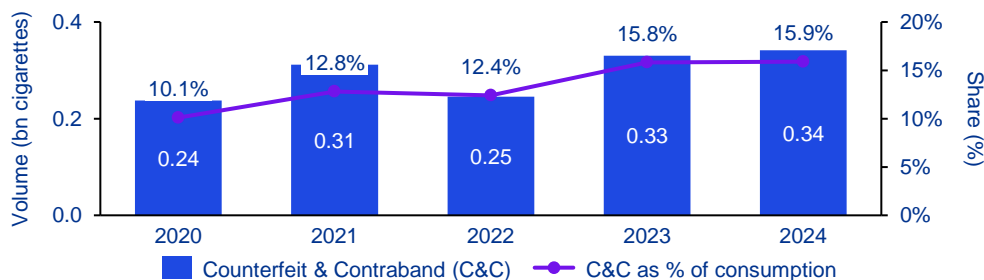
Total tax revenue lost from C&C^(b)
(NOK1,633m)⁽³⁾+€15m
on 2023

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

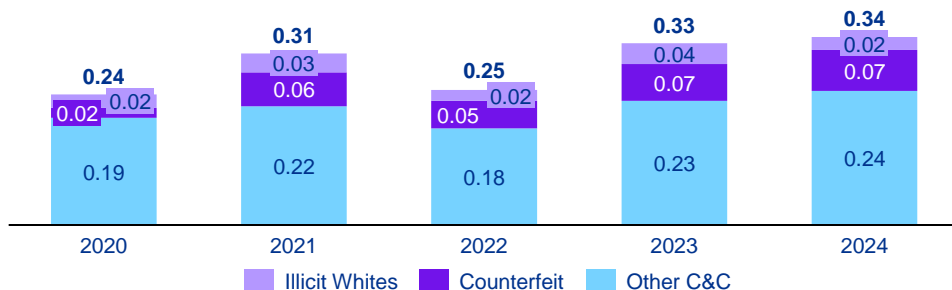


— C&C as a share of total consumption has remained largely stable, increasing by 0.1ppt to 15.9% in 2024

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}



Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) EUR 1 = NOK 11.664, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Norway Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	1.91	1.91	1.29	1.34	1.35	1%
Outflows	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	89%
Legal Domestic Consumption (LDC)	1.90	1.90	1.28	1.32	1.32	0%
Non-Domestic Legal (ND(L))	0.21	0.22	0.45	0.43	0.48	12%
Counterfeit and Contraband (C&C)	0.24	0.31	0.25	0.33	0.34	3%
Total Non-Domestic	0.45	0.54	0.70	0.76	0.83	8%
Total Consumption	2.35	2.43	1.97	2.09	2.15	3%

- Total cigarette consumption increased by 3%, primarily driven by an increase in Non-Domestic inflows
- The increase in Non-Domestic flows was driven by an increase in flows from Sweden and Denmark, partially offset by declining flows from Duty Free Labelled products and Poland
- Outflows from Norway, though remaining low, increased in 2024

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Norway

Billion cigarettes	2020	2021	2022	2023	2024
Sweden	0.02	0.09	0.17	0.22	0.28
Duty Free Labelled	0.16	0.09	0.21	0.15	0.13
Poland	0.12	0.11	0.07	0.10	0.08
Counterfeit	0.02	0.06	0.05	0.07	0.07
Denmark	0.00	0.01	0.01	0.01	0.06
Other	0.13	0.17	0.19	0.21	0.20
Total Inflows	0.45	0.54	0.70	0.76	0.83

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Norway

Billion cigarettes	2020	2021	2022	2023	2024
Sweden	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Netherlands	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Finland	(0.00)	(0.00)	(0.00)	0.00	(0.00)
Other	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Total Outflows	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

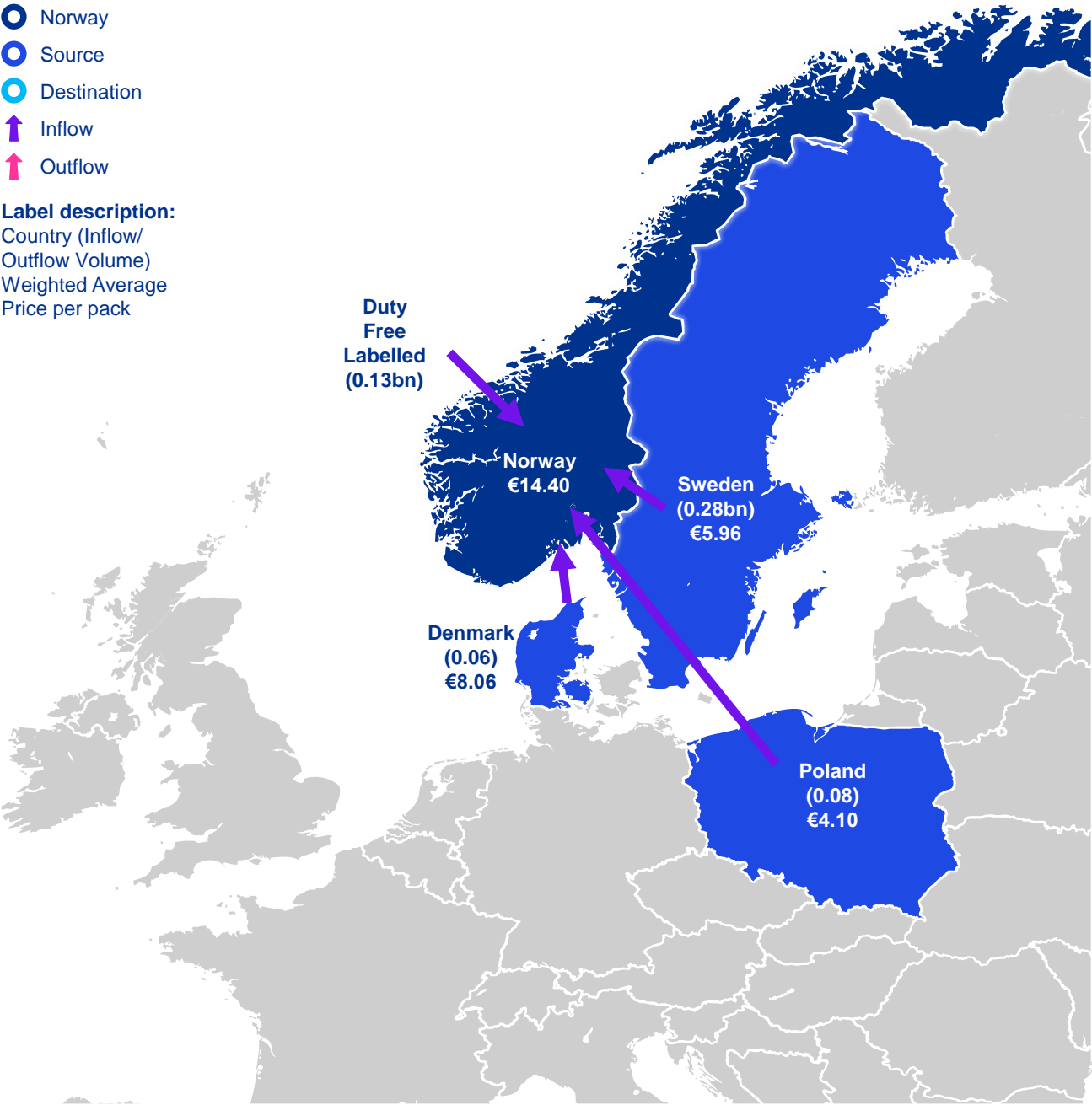
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows

Key inflows and outflows^{(1)(a)}

- Norway
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack

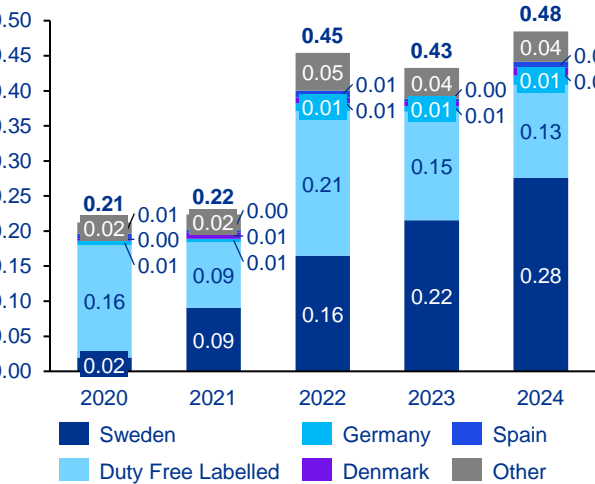


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown

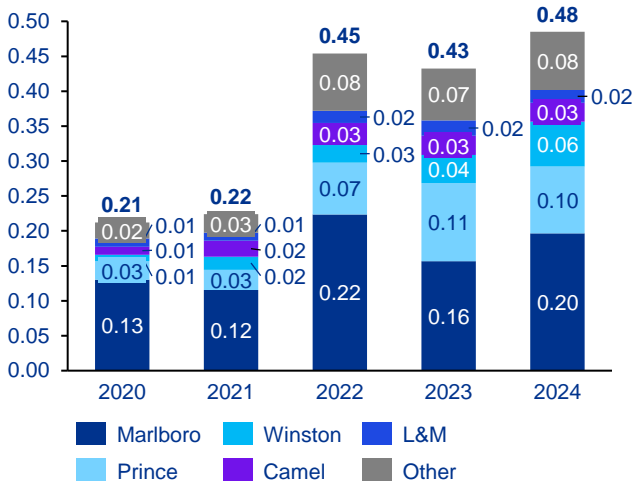
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

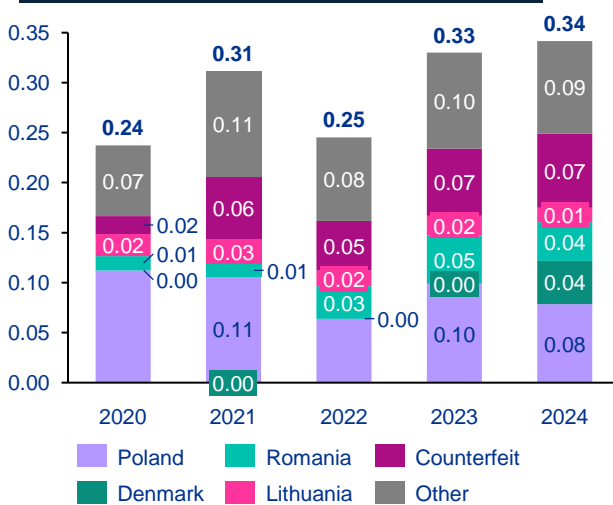


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

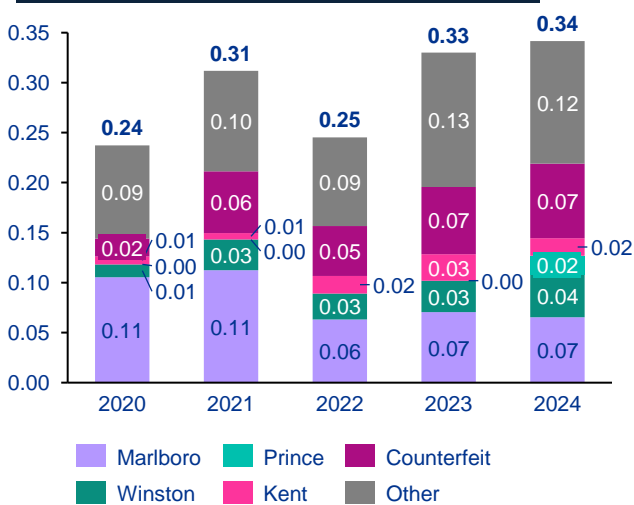


- Legal inflows (ND(L)) increased in 2024, driven by increased flows Sweden. This was partially offset by declining flows of Duty Free Labelled products
- Illicit flows (C&C) increased marginally in 2024. An increase in illicit flows from Denmark was offset by declining illicit flows from Poland, Romania, Lithuania and 'Other' smaller markets

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024;



Poland



43.6bn

Cigarettes consumed


+1.81bn
on 2023

1.9bn

C&C cigarettes consumed


+0.35bn
on 2023

4.3%

Of total consumption was C&C

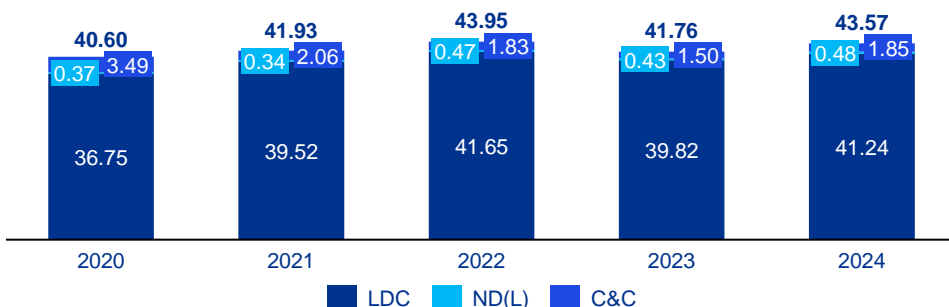

+0.65ppt
on 2023

€312m

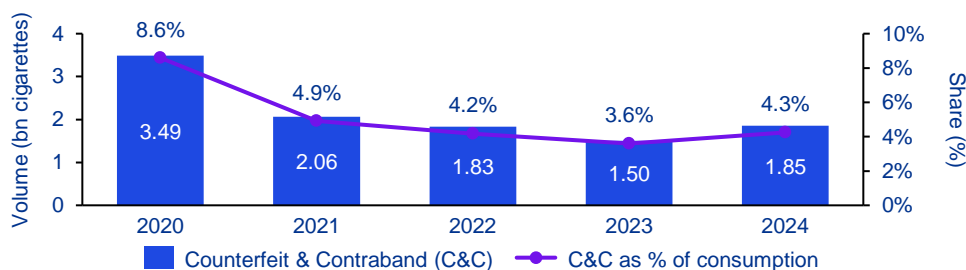
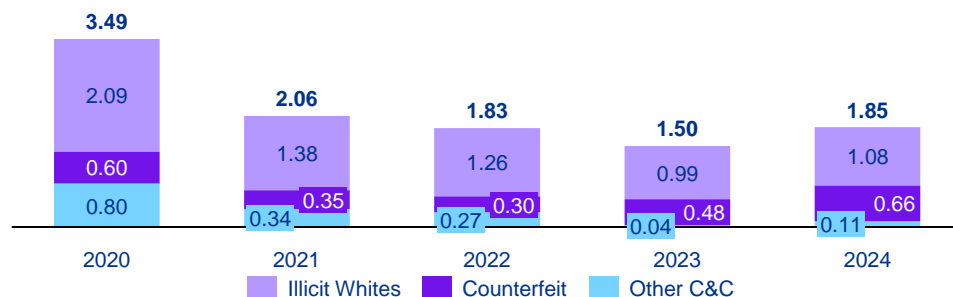
Total tax revenue lost from C&C^(b)

+€114m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾


- C&C as a share of total consumption increased by 0.7ppts to 4.3%, reversing the declining trend seen since 2020
- This increase was driven by an increase across all components of illicit consumption

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}


Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Poland Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	43.17	45.54	49.39	49.20	49.91	1%
Outflows	(6.42)	(6.03)	(7.75)	(9.37)	(8.68)	(7%)
Legal Domestic Consumption (LDC)	36.75	39.52	41.65	39.82	41.24	4%
Non-Domestic Legal (ND(L))	0.37	0.34	0.47	0.43	0.48	11%
Counterfeit and Contraband (C&C)	3.49	2.06	1.83	1.50	1.85	23%
Total Non-Domestic	3.85	2.41	2.30	1.93	2.33	21%
Total Consumption	40.60	41.93	43.95	41.76	43.57	4%

- Total cigarette consumption increased by 4% in 2024, driven by increase in both Legal Domestic Consumption and Non-Domestic inflows
- Non-Domestic inflows increased, driven by increases across most major sources apart from Belarus, which declined marginally
- Outflows decreased by 7% in 2024, predominantly driven by decline in outflows to France

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Poland

Billion cigarettes	2020	2021	2022	2023	2024
Belarus	1.52	1.01	0.89	0.74	0.73
Counterfeit	0.60	0.35	0.30	0.48	0.66
IWs with no country-specific labelling	0.33	0.30	0.30	0.21	0.30
Ukraine	0.88	0.34	0.22	0.08	0.16
Other	0.54	0.42	0.59	0.43	0.47
Total Inflows	3.85	2.41	2.30	1.93	2.33

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Poland

Billion cigarettes	2020	2021	2022	2023	2024
Germany	(4.66)	(3.82)	(4.66)	(5.19)	(5.53)
Czech Republic	(0.02)	(0.21)	(0.47)	(0.95)	(1.06)
UK	(1.03)	(0.72)	(0.60)	(0.78)	(0.76)
France	(0.10)	(0.63)	(1.17)	(1.31)	(0.29)
Other	(0.61)	(0.63)	(0.84)	(1.14)	(1.05)
Total Outflows	(6.42)	(6.03)	(7.75)	(9.37)	(8.68)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

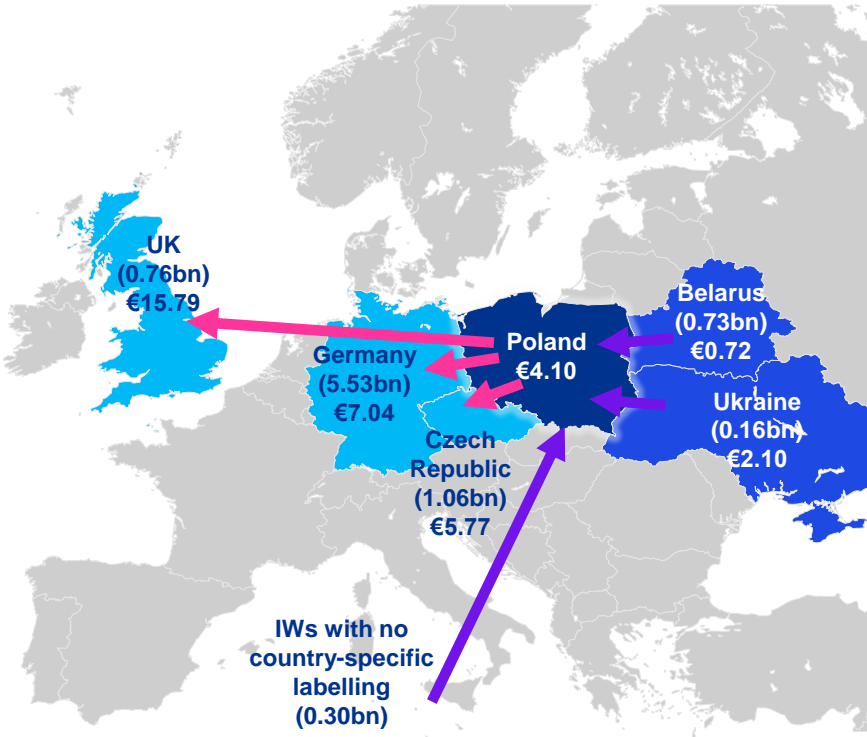
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

- Poland
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

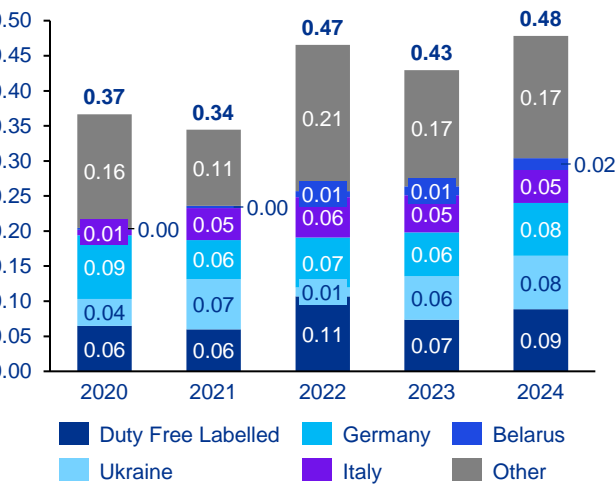


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

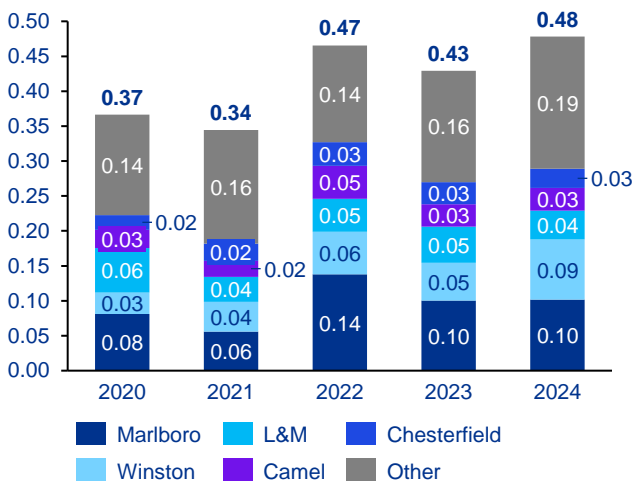
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

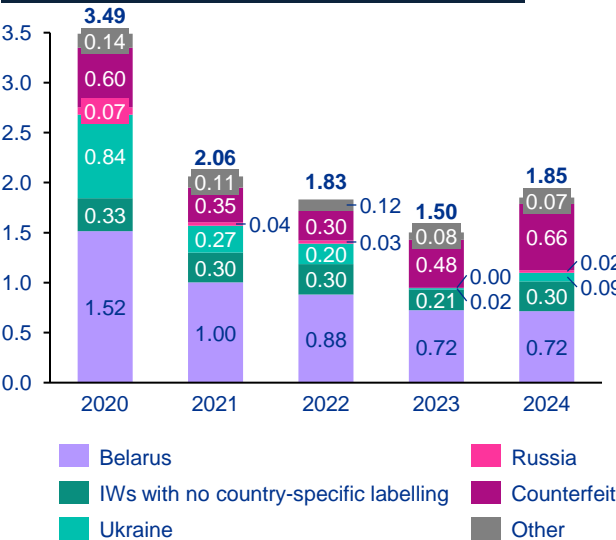


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

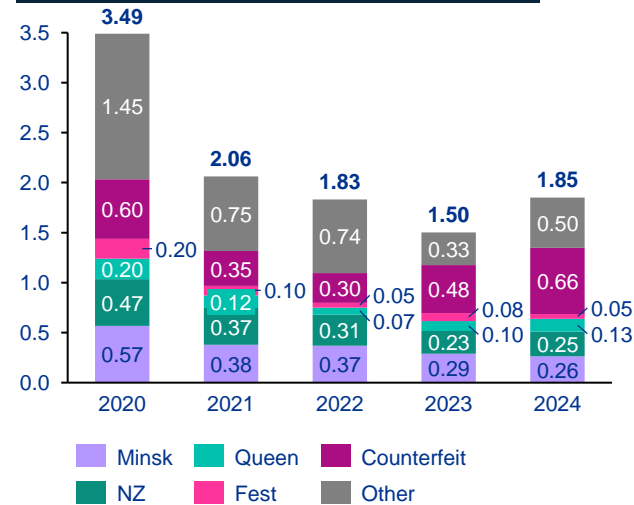


- Legal inflows (ND(L)) increased, driven by higher inflows of Duty Free, and higher inflows from Ukraine and Germany
- Illicit inflows (C&C) increased in 2024, primarily driven by increased flows of Counterfeit, Illicit Whites with no country-specific labelling and illicit flows from Ukraine

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024



Portugal



8.5bn

Cigarettes consumed^(a)

0.2bn

C&C cigarettes consumed

2.4%

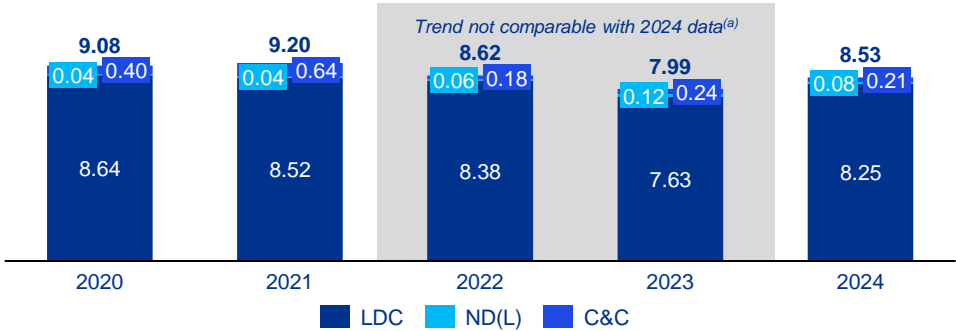
Of total consumption was C&C

€42m

Total tax revenue lost from C&C^(b)

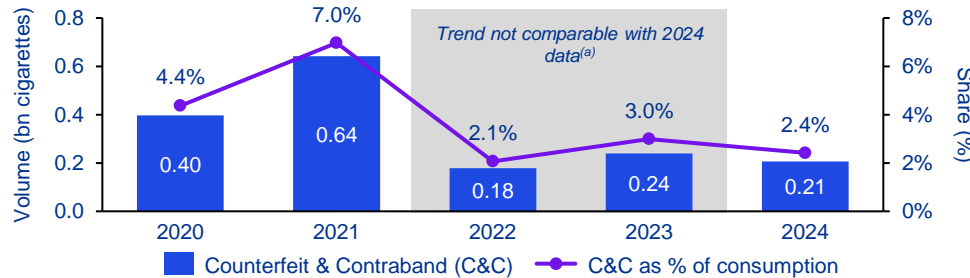
C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

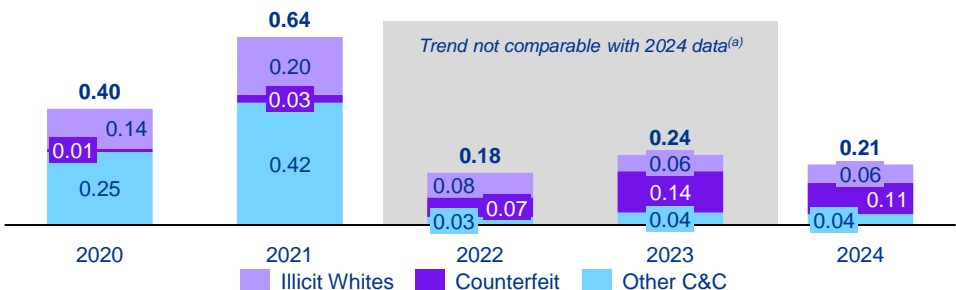


— C&C accounted for 2.4% of total consumption in 2024

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(b)}



Note: (a) Due to the revision of 2022 and 2023 LDS data the trends depicted between 2021 and 2024 above are not directly comparable. As a result year-on-year comparators are excluded (b) C&C breakdown chart only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Portugal Consumption

Billion cigarettes	2020	2021	2022	2023	2024
Legal Domestic Sales (LDS)	8.99	8.77	8.68	8.03	8.74
Outflows	(0.35)	(0.25)	(0.30)	(0.40)	(0.49)
Legal Domestic Consumption (LDC)	8.64	8.52	8.38	7.63	8.25
Non-Domestic Legal (ND(L))	0.04	0.04	0.06	0.12	0.08
Counterfeit and Contraband (C&C)	0.40	0.64	0.18	0.24	0.21
Total Non-Domestic	0.43	0.68	0.24	0.36	0.28
Total Consumption	9.08	9.20	8.62	7.99	8.53

- Following the release of the 2023 results, the Legal Domestic Sales (LDS) data for Portugal for the years 2022 and 2023 has been revised. This revision raised the 2022 LDS to 9.11 billion (+0.43 billion) and the 2023 LDS to 8.91 billion (+0.88 billion). We have not modified our historical results to reflect these revised figures. Consequently, the trends depicted between 2021 and 2024 above are not directly comparable^(a)
- Based on this revised 2023 LDS, we estimate that Legal Domestic Consumption declined by 3.1%, Non-Domestic consumption declined by 28.3% and total cigarette consumption declined by 4.2% in 2024
- This Non-Domestic inflows decline was driven by a decrease in Counterfeit, and decreased inflows of Illicit Whites with no country-specific labelling and from smaller source markets grouped within 'Other'
- Outflows increased, primarily driven by higher flows to the Netherlands

Total inflows by country of origin – 2020-2024^{(1)(b)}

Inflows to Portugal

Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.01	0.03	0.07	0.14	0.11
Unspecified	0.09	0.33	0.00	0.02	0.02
IWs with no country-specific labelling	0.13	0.20	0.06	0.05	0.02
Other	0.20	0.12	0.11	0.15	0.13
Total Inflows	0.43	0.68	0.24	0.36	0.28

Total outflows by destination – 2020-2024^{(1)(b)}

Outflows from Portugal

Billion cigarettes	2020	2021	2022	2023	2024
France	(0.20)	(0.13)	(0.15)	(0.19)	(0.20)
Netherlands	(0.01)	(0.01)	(0.02)	(0.04)	(0.10)
Spain	(0.01)	(0.03)	(0.04)	(0.03)	(0.05)
Other	(0.12)	(0.08)	(0.10)	(0.14)	(0.15)
Total Outflows	(0.35)	(0.25)	(0.30)	(0.40)	(0.49)

Note: (a) The revision of LDS follows provision of a new source of LDS information that provides more accurate information on legal sales volumes (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows;.

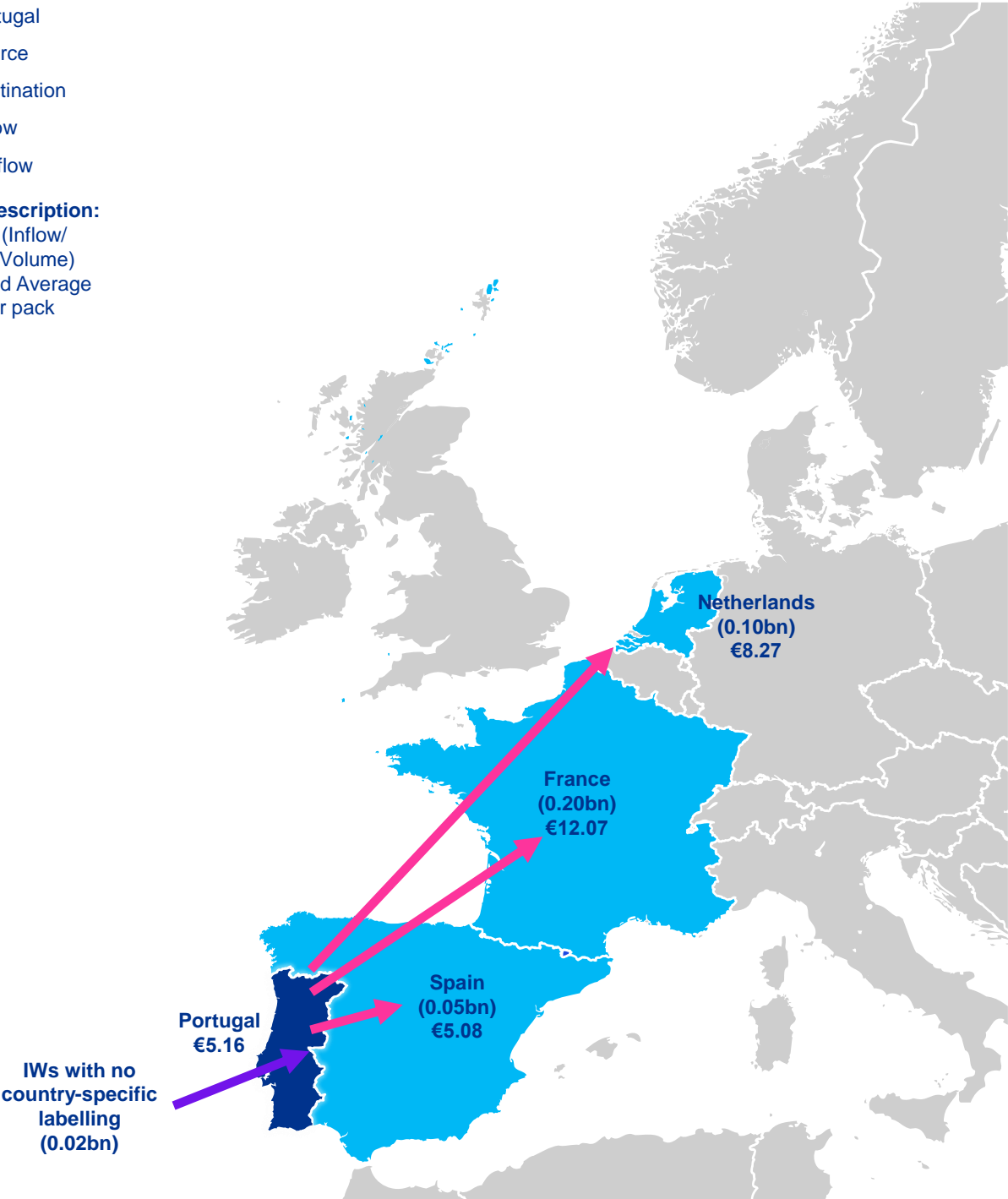
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows

Key inflows and outflows^{(1)(a)}

- Portugal
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack

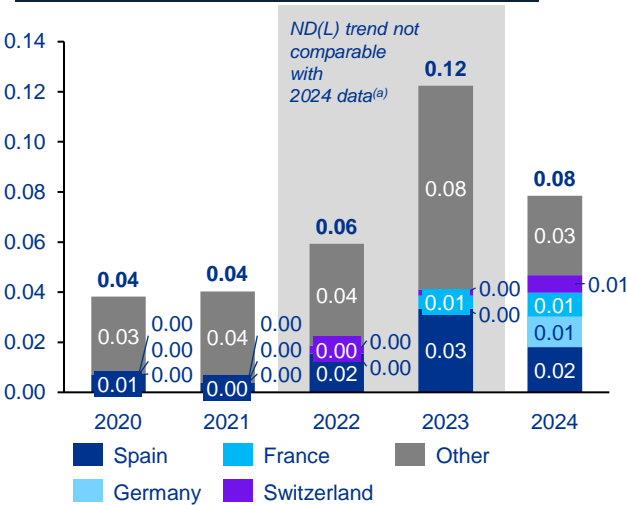


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown

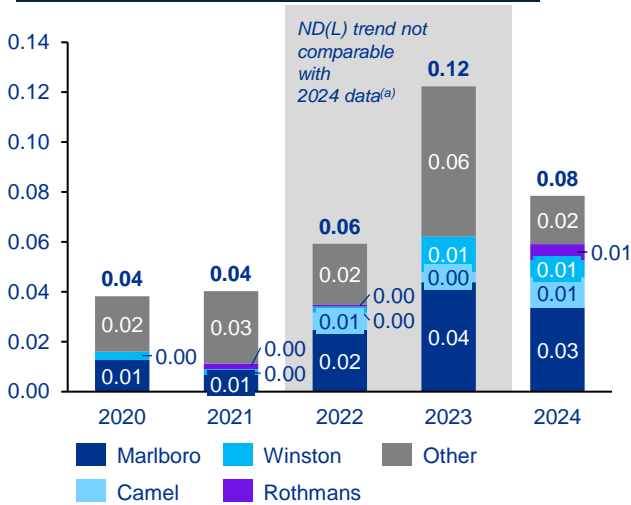
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

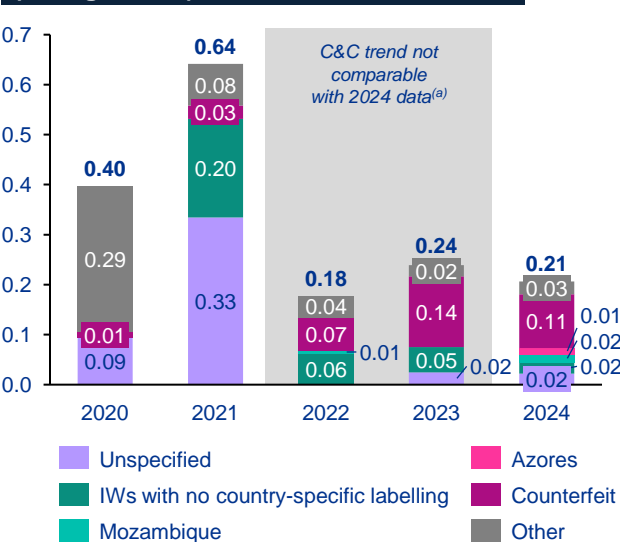


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

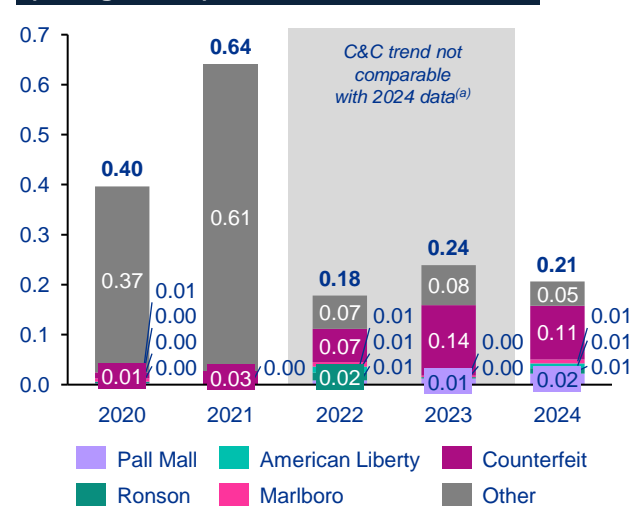


- Spain continued to be the largest source of legal inflows (ND(L)) in 2024
- Counterfeit volumes represented ~50% of illicit consumption in 2024 (vs ~60% in 2023)

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(b)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(b)}



Note: (a) Due to the revision of 2022 and 2023 LDS data the trends depicted between 2021 and 2024 above are not directly comparable (b) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024

Romania



26.1bn

Cigarettes consumed


+0.29bn
on 2023

1.5bn

C&C cigarettes consumed


+0.05bn
on 2023

5.9%

Of total consumption was C&C

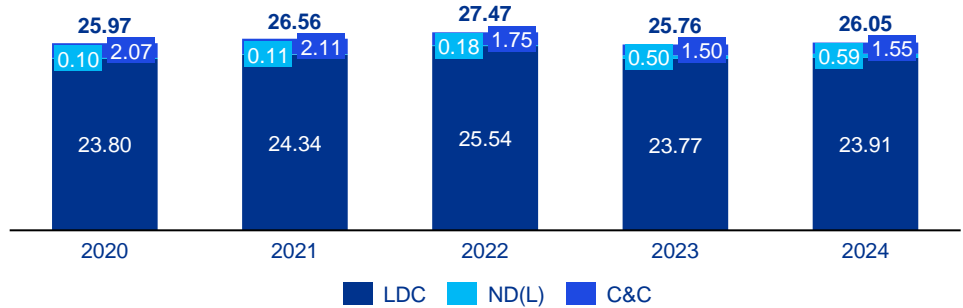

+0.14ppt
on 2023

€268m

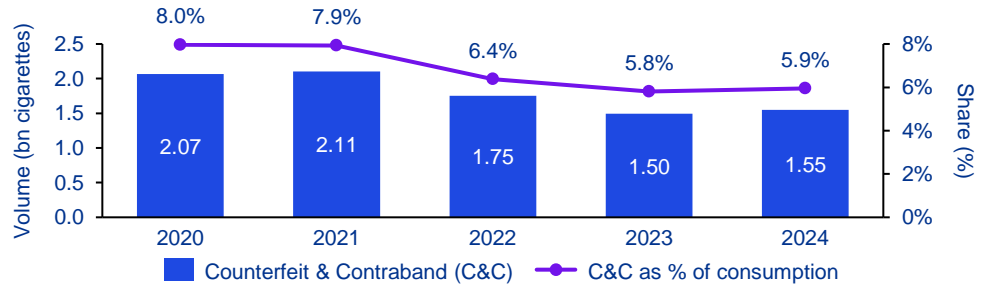
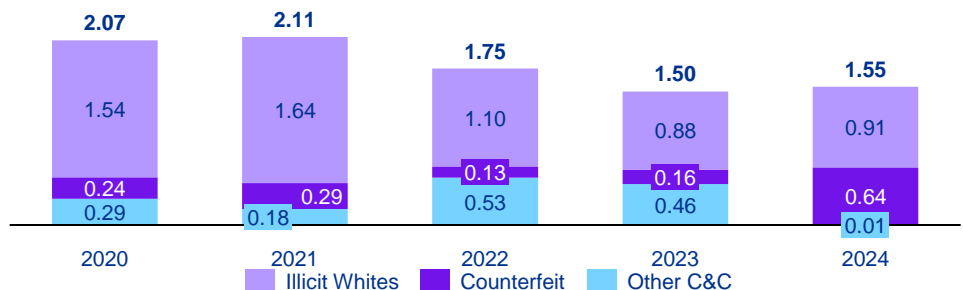
Total tax revenue lost from C&C^(b)
(RON1,334m)⁽³⁾

+€13m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾


- C&C as a share of total cigarette consumption increased marginally by 0.1ppts to 5.9%
- This marginal increase is driven by an increase in Counterfeit and Illicit Whites, partially offset by a decrease in Other C&C volumes

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}


Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data (3) EUR 1 = RON 4.977, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Romania Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	24.90	25.70	27.45	26.30	26.15	(1%)
Outflows	(1.10)	(1.36)	(1.91)	(2.54)	(2.24)	(12%)
Legal Domestic Consumption (LDC)	23.80	24.34	25.54	23.77	23.91	1%
Non-Domestic Legal (ND(L))	0.10	0.11	0.18	0.50	0.59	18%
Counterfeit and Contraband (C&C)	2.07	2.11	1.75	1.50	1.55	4%
Total Non-Domestic	2.17	2.22	1.93	2.00	2.14	7%
Total Consumption	25.97	26.56	27.47	25.76	26.05	1%

- Total cigarette consumption increased in 2024 with an increase in Legal Domestic Consumption and Non-Domestic inflows
- Non-Domestic inflows increased by 7% with an increase in Counterfeit and inflows from Bulgaria offset by declining flows of Illicit Whites with no country-specific labelling and flows from smaller markets grouped together under 'Other'
- Outflows decreased by 12% in 2024, driven by declining flows to most major destination markets, somewhat offset by higher flows to France

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Romania

Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.24	0.29	0.13	0.16	0.64
IWs with no country-specific labelling	1.10	1.40	0.93	0.74	0.41
Bulgaria	0.02	0.03	0.05	0.23	0.41
Other	0.81	0.50	0.82	0.87	0.69
Total Inflows	2.17	2.22	1.93	2.00	2.14

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Romania

Billion cigarettes	2020	2021	2022	2023	2024
France	(0.29)	(0.31)	(0.53)	(0.99)	(1.14)
UK	(0.16)	(0.34)	(0.58)	(0.75)	(0.43)
Germany	(0.20)	(0.19)	(0.18)	(0.20)	(0.16)
Ireland	(0.19)	(0.15)	(0.26)	(0.15)	(0.13)
Other	(0.26)	(0.36)	(0.37)	(0.44)	(0.38)
Total Outflows	(1.10)	(1.36)	(1.91)	(2.54)	(2.24)

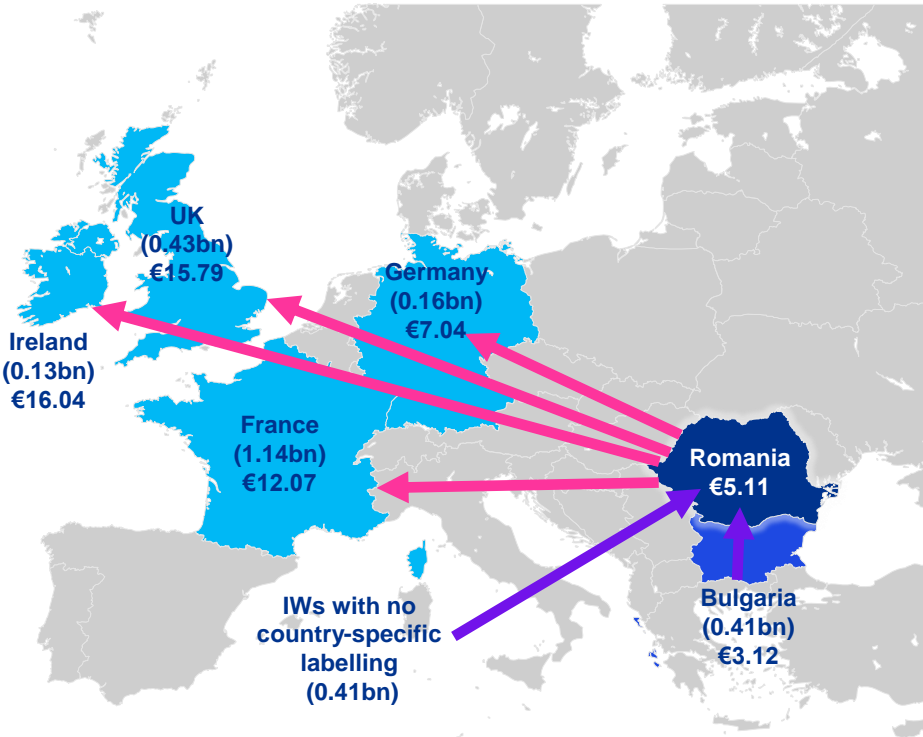
Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

-  Romania
 -  Source
 -  Destination
 -  Inflow
 -  Outflow
- Label description:**
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack

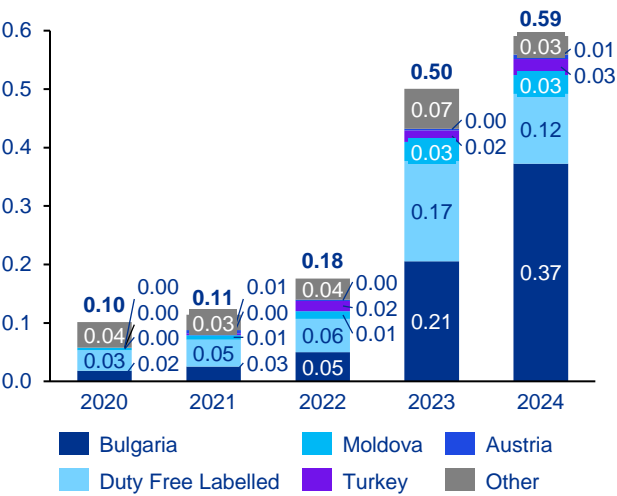


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown

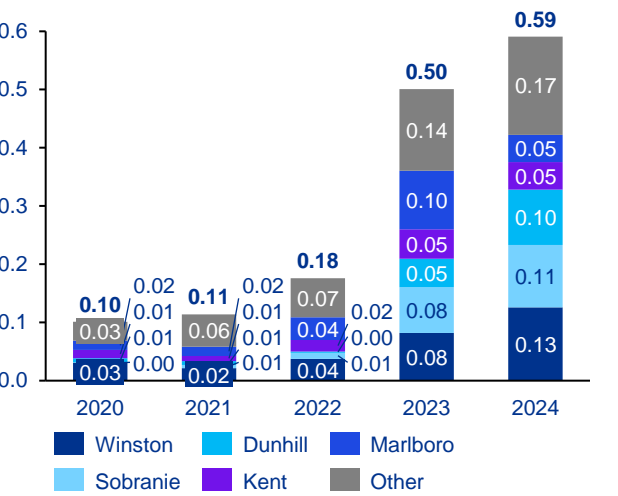
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

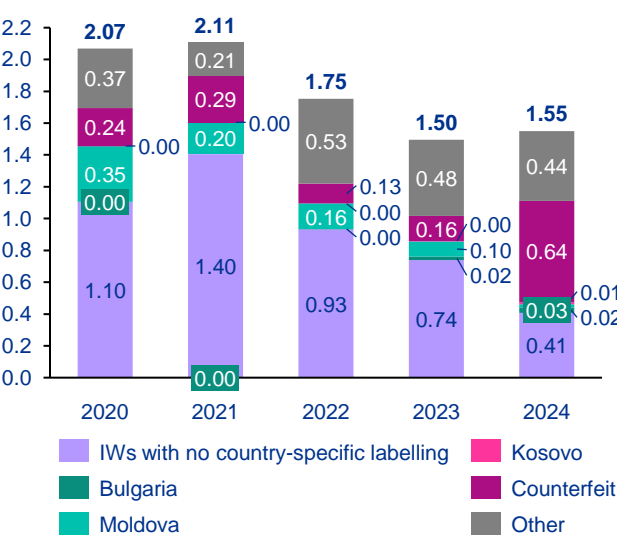


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

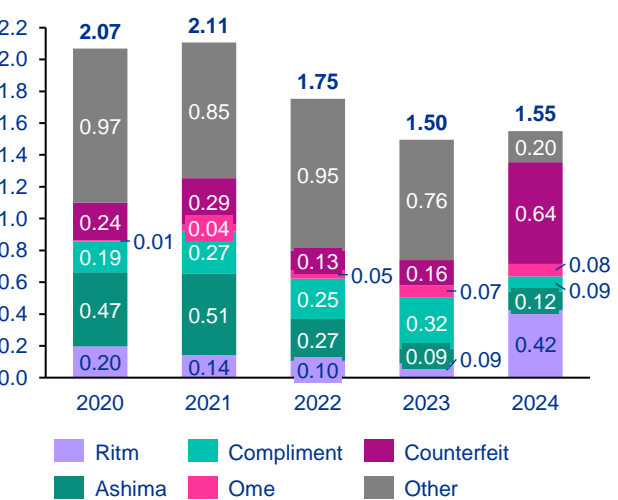


- Legal inflows (ND(L)) increased by 18% in 2024 driven by increased legal flows from Bulgaria, somewhat offset by a decline in inflows of Duty Free Labelled products and inflows from ‘Other’ smaller markets
- Illicit inflows (C&C) increased in 2024 driven by increased flows of Counterfeit, partially offset by lower inflows of Illicit Whites with no country-specific labelling and inflows from Moldova and ‘Other’ smaller markets

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024



Serbia



9.9bn

Cigarettes consumed



0.2bn

C&C cigarettes consumed



2.5%

Of total consumption was C&C



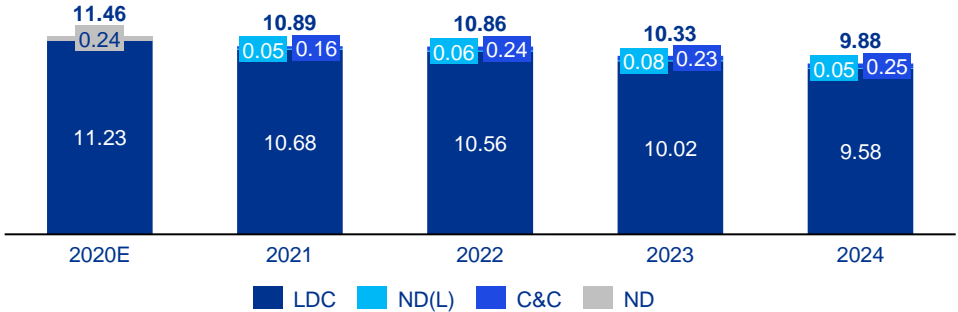
€32m

Total tax revenue lost from C&C in 2023^(c)



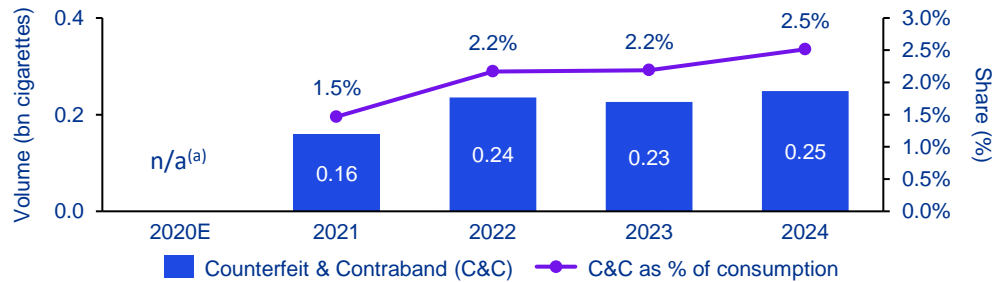
C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

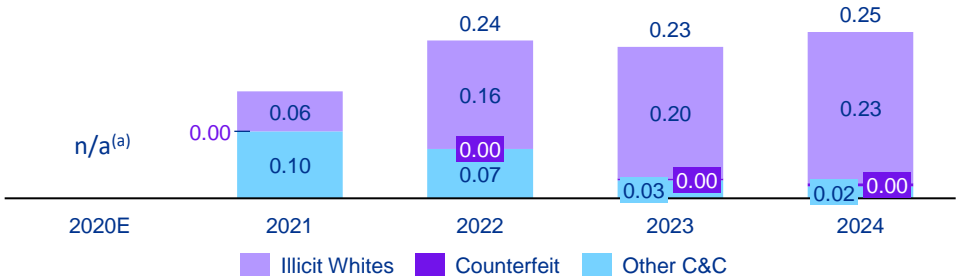


— C&C as a share of total consumption increased by 0.3ppts to 2.5% in 2024, driven by an increase in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024^{(1)(2)(a)}



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)(b)}



Note: (a) ND(L) and C&C detail is only shown for years with empty pack surveys (b) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (c) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (d) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024^{(1)(2)(a)}

Total Serbia Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	11.60	11.22	11.14	10.47	10.08	(4%)
Outflows	(0.38)	(0.53)	(0.58)	(0.45)	(0.50)	11%
Legal Domestic Consumption (LDC)	11.23	10.68	10.56	10.02	9.58	(4%)
Non-Domestic Legal (ND(L))		0.05	0.06	0.08	0.05	(39%)
Counterfeit and Contraband (C&C)		0.16	0.24	0.23	0.25	10%
Total Non-Domestic	0.24	0.21	0.30	0.31	0.30	(3%)
Total Consumption	11.46	10.89	10.86	10.33	9.88	(4%)

- Total consumption decreased by 4% in 2024, largely due to a decline in Legal Domestic Sales
- Non-Domestic inflows declined by 3%, with reduced inflows of Duty Free and flows from Kosovo partly offset by an increase in Illicit Whites with no country-specific labelling
- Outflows increased by 11%, primarily due to increased outflows to France

Total inflows by country of origin – 2020-2024^{(1)(a)(b)}

Inflows to Serbia					
Billion cigarettes	2020	2021	2022	2023	2024
IWs with no country-specific labelling		0.06	0.08	0.12	0.14
Kosovo		0.03	0.10	0.10	0.08
Duty Free Labelled		0.00	0.00	0.04	0.02
Other		0.12	0.11	0.06	0.05
Total Inflows	0.24	0.21	0.30	0.31	0.30

Total outflows by destination – 2020-2024^{(1)(a)(b)}

Outflows from Serbia					
Billion cigarettes	2020	2021	2022	2023	2024
France	(0.07)	(0.13)	(0.16)	(0.13)	(0.22)
Austria	(0.06)	(0.08)	(0.10)	(0.09)	(0.07)
Germany	(0.06)	(0.05)	(0.05)	(0.05)	(0.05)
Switzerland	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)
Slovenia	(0.01)	(0.03)	(0.01)	(0.02)	(0.02)
Other	(0.15)	(0.23)	(0.27)	(0.14)	(0.11)
Total Outflows	(0.38)	(0.53)	(0.58)	(0.45)	(0.50)

Note: (a) Detailed breakdowns of ND(L), C&C, inflows and outflows are only shown for years with empty pack surveys. Total Non-Domestic, and inflows and outflows totals for years where empty pack surveys were not conducted are estimates only based on extrapolations of empty pack survey results from the prior and following years (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

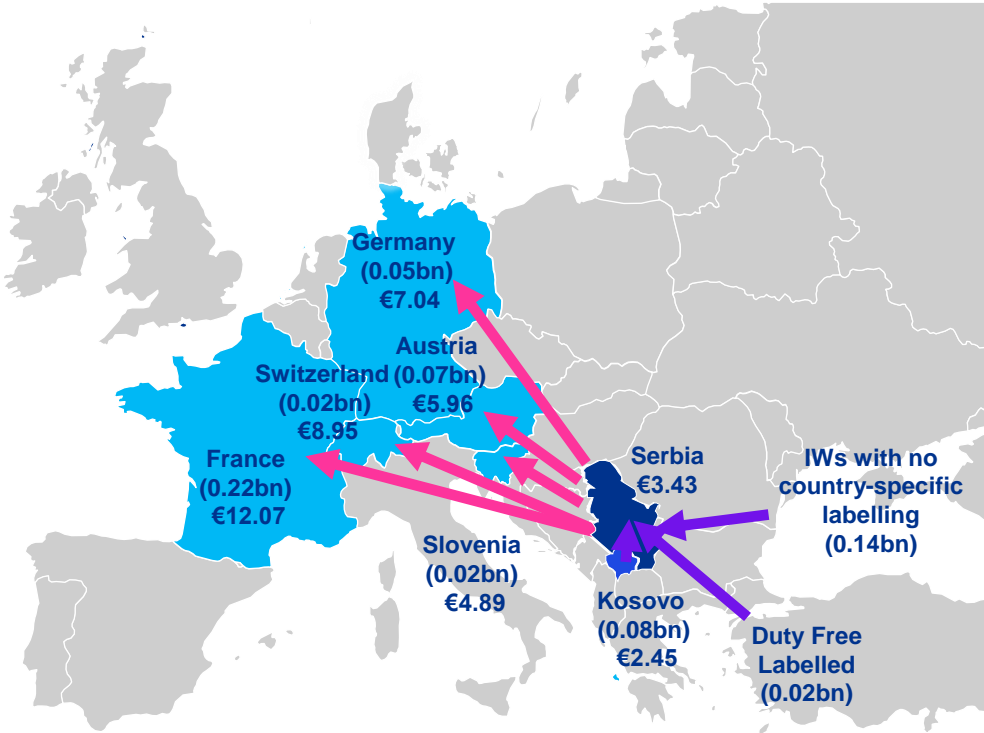
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

-  Serbia
-  Source
-  Destination
-  Inflow
-  Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

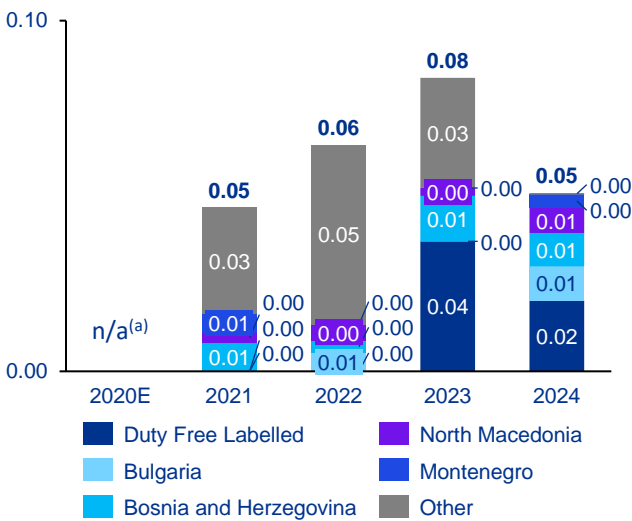


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

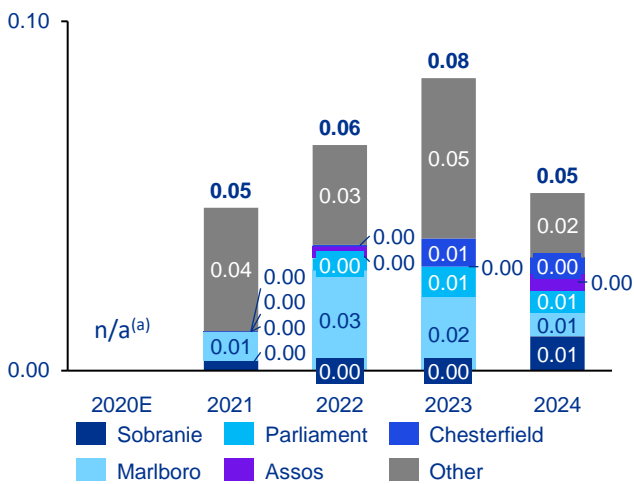
Source: (1) KPMG European Flows Calculation 2024; ; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}

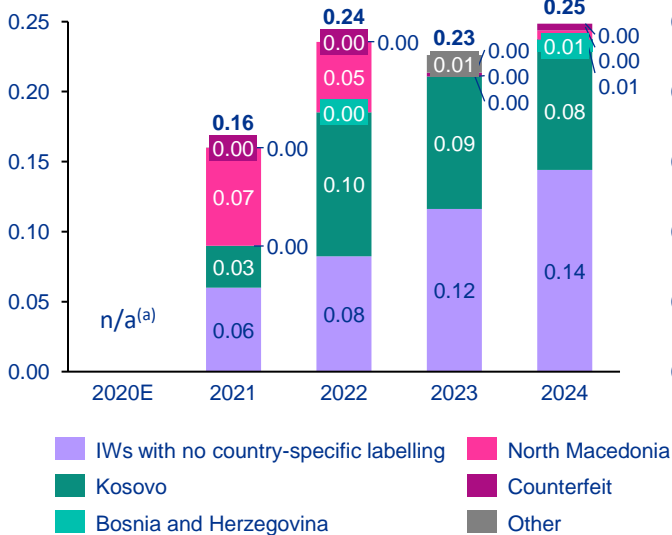


ND(L) by brand – 2020-2024
(bn cigarettes)^{(1)(a)}

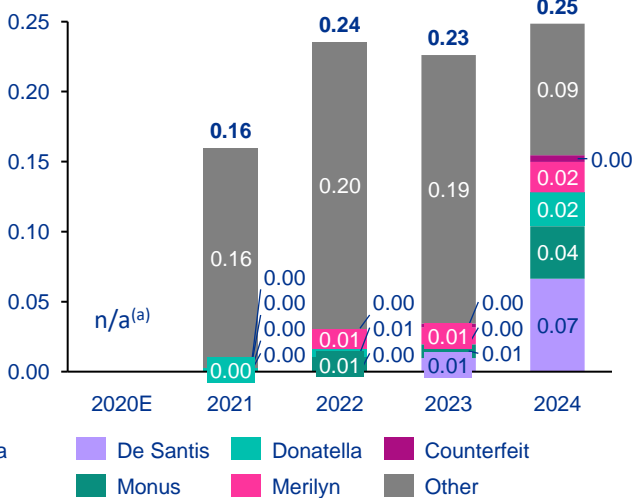


- Legal inflows (ND(L)) declined by 39% in 2024, due to a decline in Duty Free inflows and inflows from 'Other' smaller source markets
- Illicit inflows (C&C) increased by 10%, driven by increased inflows of Illicit Whites with no country-specific labelling
- The four largest C&C brands; De Santis, Monus, Donatella and Marilyn, accounted for approximately 60% of illicit inflows in 2024

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



Note: (a) ND(L) and C&C country / brand breakdowns are only shown for the years where an empty pack survey was undertaken (b) Only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys

Source: (1) KPMG European Flows Calculation, 2020-2024



Slovakia



5.7bn

Cigarettes consumed

-0.10bn
on 2023

0.3bn

C&C cigarettes consumed

+0.03bn
on 2023

5.1%

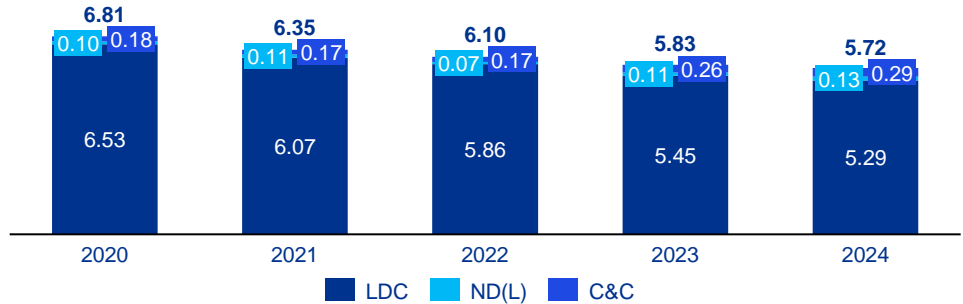
Of total consumption was C&C

+0.63ppt
on 2023

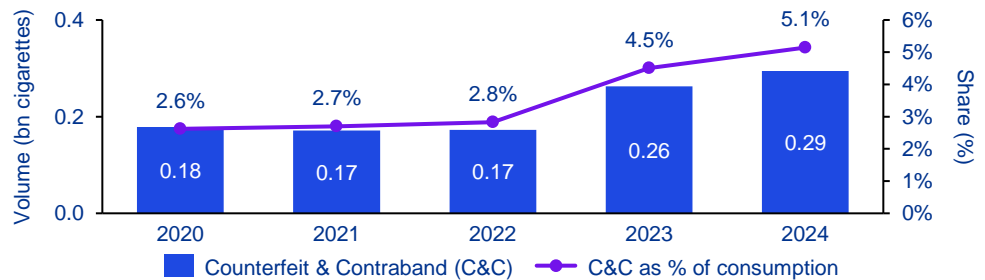
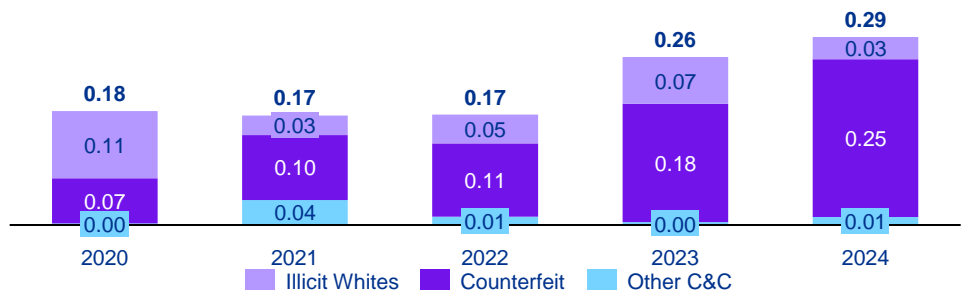
€56m

Total tax revenue lost from C&C^(b)+€12m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

- C&C as a share of total cigarette consumption increased by 0.6ppts to 5.1% in 2024, the highest during the reporting period
- This increase was driven by higher Counterfeit volumes, partially offset by a decline in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Slovakia Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	6.90	6.36	6.17	5.87	5.59	(5%)
Outflows	(0.37)	(0.29)	(0.32)	(0.42)	(0.29)	(29%)
Legal Domestic Consumption (LDC)	6.53	6.07	5.86	5.45	5.29	(3%)
Non-Domestic Legal (ND(L))	0.10	0.11	0.07	0.11	0.13	20%
Counterfeit and Contraband (C&C)	0.18	0.17	0.17	0.26	0.29	12%
Total Non-Domestic	0.28	0.28	0.25	0.37	0.43	14%
Total Consumption	6.81	6.35	6.10	5.83	5.72	(2%)

- Total cigarette consumption declined in 2024, primarily due to a decline in Legal Domestic Consumption somewhat offset by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 14%, reaching the highest level during the reporting period, driven by an increase in Counterfeit. This was partially offset by decline in flows of Illicit Whites with no country-specific labelling
- Outflows decreased by 29% in 2024, driven by a decline in outflows to Hungary and 'Other' smaller markets

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Slovakia					
Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.07	0.10	0.11	0.18	0.25
Poland	0.01	0.01	0.02	0.03	0.03
Czech Republic	0.06	0.05	0.02	0.03	0.03
IWs with no country-specific labelling	0.07	0.03	0.04	0.06	0.03
Other	0.07	0.09	0.06	0.08	0.10
Total Inflows	0.28	0.28	0.25	0.37	0.43

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Slovakia					
Billion cigarettes	2020	2021	2022	2023	2024
Austria	(0.15)	(0.13)	(0.12)	(0.11)	(0.10)
Germany	(0.10)	(0.06)	(0.07)	(0.04)	(0.05)
UK	(0.03)	(0.00)	(0.01)	(0.00)	(0.05)
Hungary	(0.01)	(0.01)	(0.03)	(0.10)	(0.03)
Other	(0.08)	(0.09)	(0.09)	(0.15)	(0.07)
Total Outflows	(0.37)	(0.29)	(0.32)	(0.42)	(0.29)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

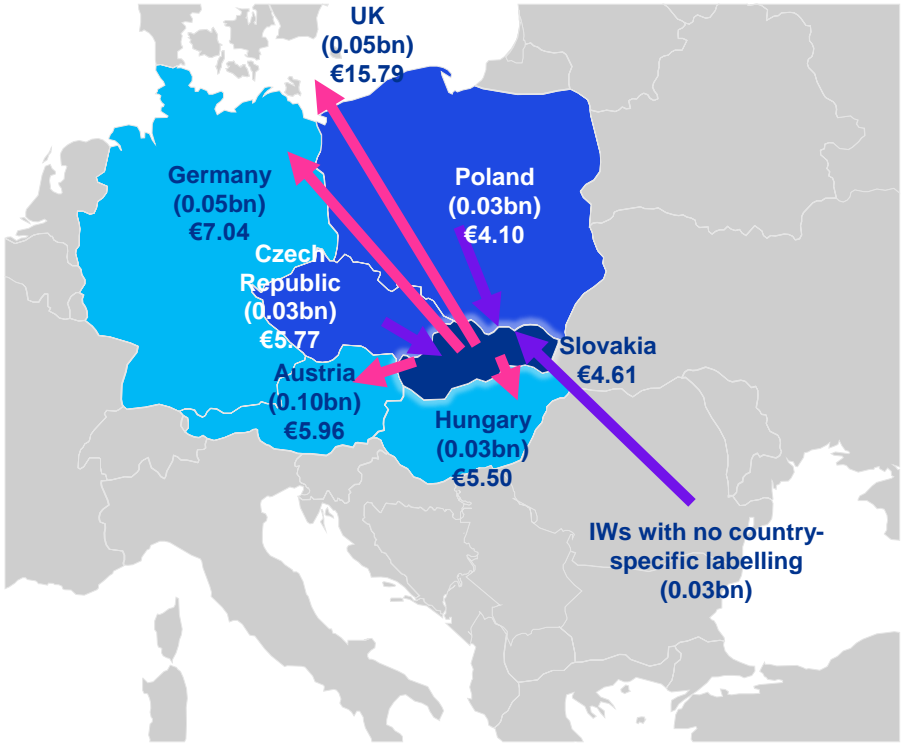
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

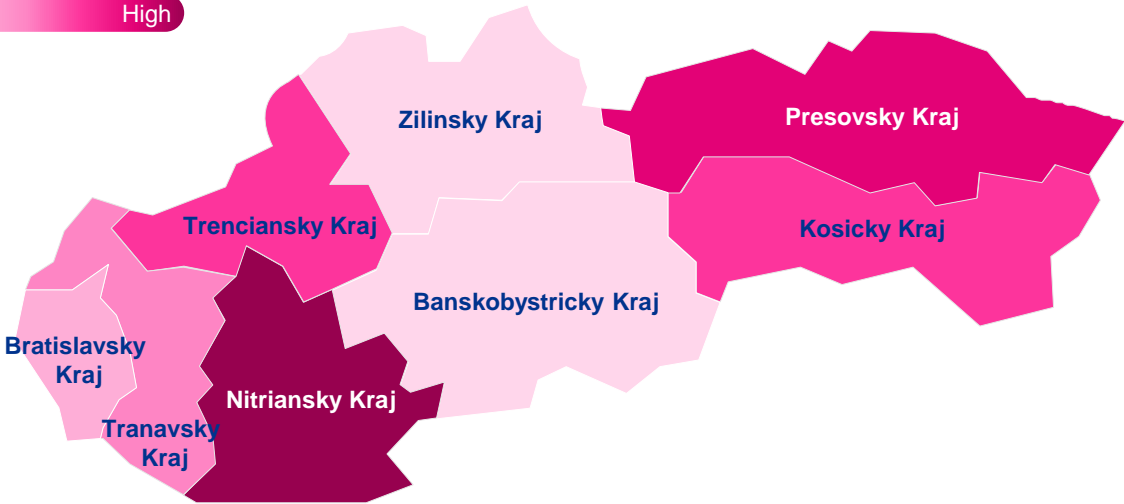
-  Slovakia
-  Source
-  Destination
-  Inflow
-  Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

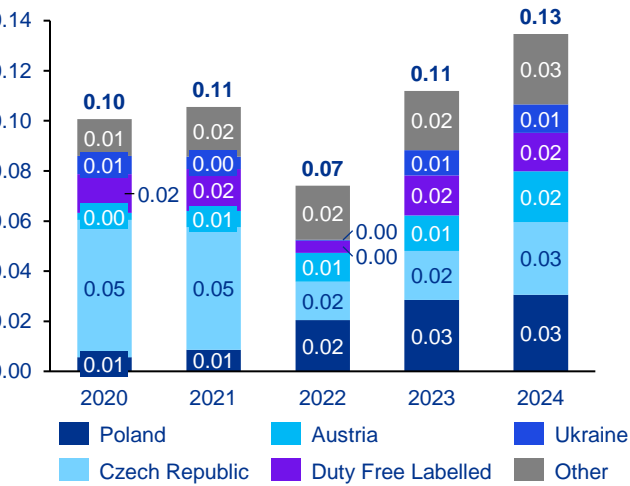


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

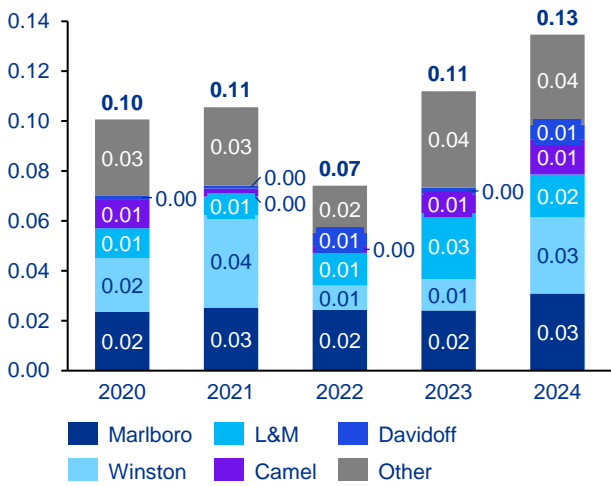
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

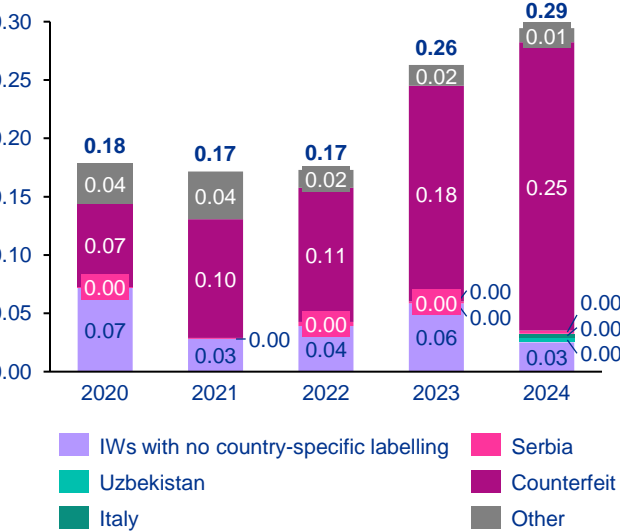


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

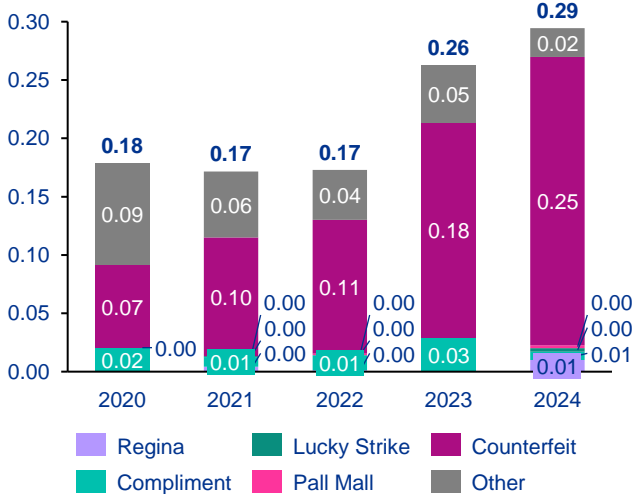


- Legal inflows(ND(L)) increased in 2024, driven by higher legal flows from Czech Republic, Austria and other smaller markets grouped together under 'Other'
- Illicit (C&C) inflows also increased, driven by an increase in Counterfeit volumes, partially offset by decline in flows of Illicit Whites with no country-specific labelling

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024

A scenic landscape of a forest lake in Slovenia. The image shows a calm body of water reflecting a dense forest of evergreen and deciduous trees. The sky is a clear, bright blue with a few wispy clouds. A large, solid blue rectangle is overlaid on the left side of the image, partially obscuring the trees and water. The word "Slovenia" is written in white, bold, sans-serif font within this blue rectangle.

Slovenia



C&C cigarette consumption and total consumption

2.6bn

Cigarettes consumed

-0.41bn
on 2023

0.2bn

C&C cigarettes consumed

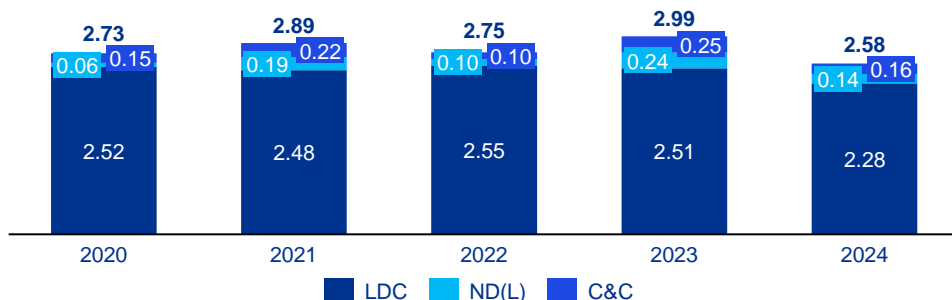
-0.09bn
on 2023

6.2%

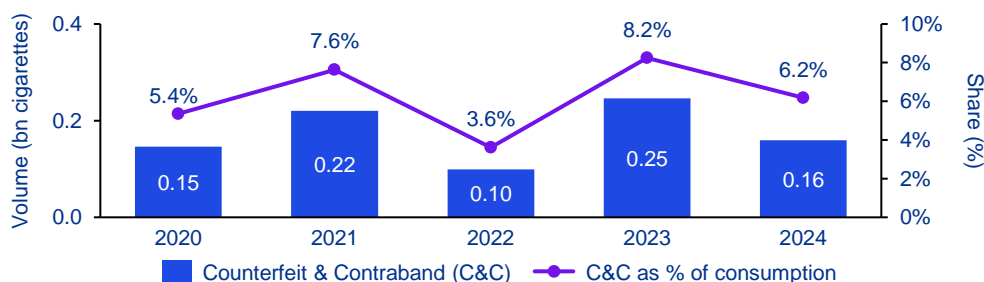
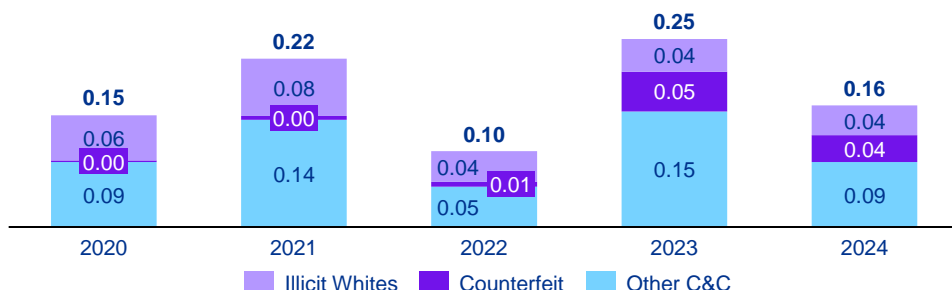
Of total consumption was C&C

-2.06ppts
on 2023

€30m

Total tax revenue lost from C&C^(b)-€14m
on 2023
Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾


— C&C as a share of total cigarette consumption decreased by 2ppts to 6.2% in 2024, driven by a decline in Other C&C

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}


Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Slovenia Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	3.21	3.19	3.33	3.06	2.88	(6%)
Outflows	(0.68)	(0.71)	(0.78)	(0.56)	(0.60)	8%
Legal Domestic Consumption (LDC)	2.52	2.48	2.55	2.51	2.28	(9%)
Non-Domestic Legal (ND(L))	0.06	0.19	0.10	0.24	0.14	(41%)
Counterfeit and Contraband (C&C)	0.15	0.22	0.10	0.25	0.16	(35%)
Total Non-Domestic	0.21	0.41	0.20	0.48	0.30	(38%)
Total Consumption	2.73	2.89	2.75	2.99	2.58	(14%)

- Total cigarette consumption decreased by 14% in 2024, driven by a decline in both Legal Domestic Consumption and Non-Domestic inflows
- Non-Domestic inflows decreased by 38%, primarily driven by a decline in inflows from smaller source markets grouped together within 'Other'
- Outflows increased by 8% in 2024, driven by increased outflows to neighbouring Italy, partially offset by decline in flows from 'Other' smaller markets

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Slovenia

Billion cigarettes	2020	2021	2022	2023	2024
Croatia	0.02	0.06	0.02	0.06	0.06
Bosnia and Herzegovina	0.03	0.05	0.02	0.06	0.05
Counterfeit	0.00	0.00	0.01	0.05	0.04
IWs with no country-specific labelling	0.06	0.06	0.02	0.01	0.02
Austria	0.00	0.02	0.01	0.02	0.02
Other	0.10	0.22	0.13	0.28	0.10
Total Inflows	0.21	0.41	0.20	0.48	0.30

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Slovenia

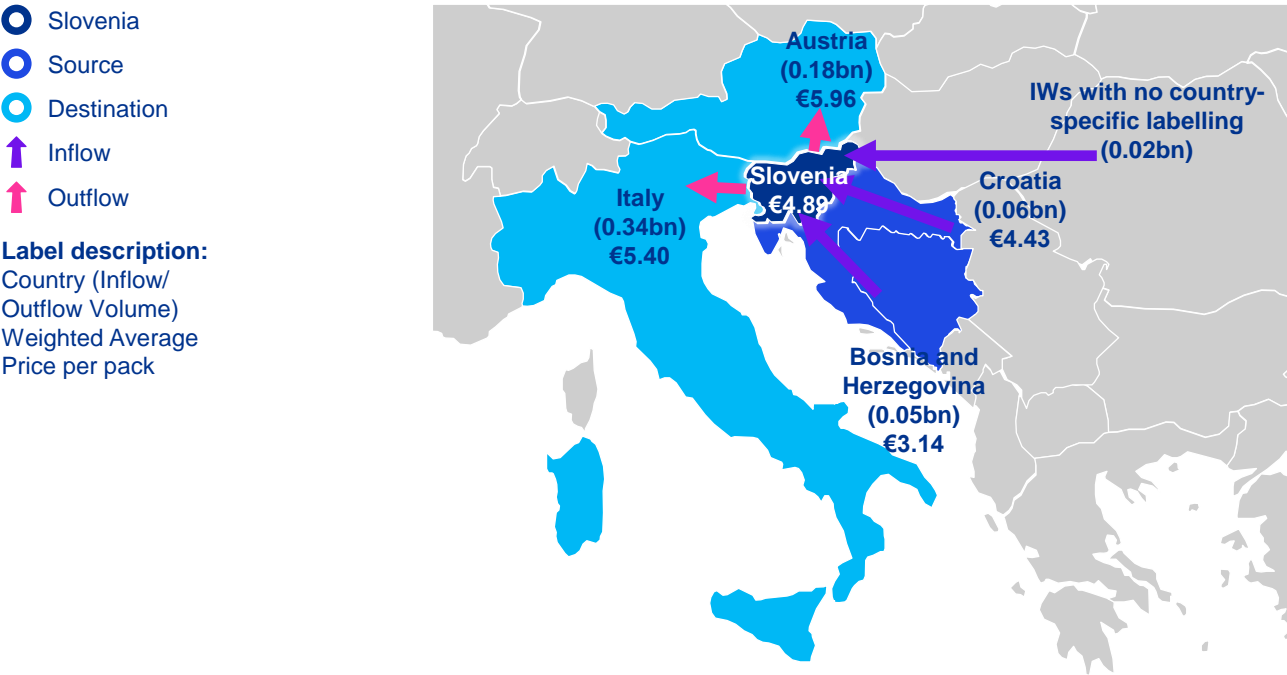
Billion cigarettes	2020	2021	2022	2023	2024
Italy	(0.45)	(0.32)	(0.46)	(0.26)	(0.34)
Austria	(0.11)	(0.24)	(0.20)	(0.19)	(0.18)
Other	(0.12)	(0.14)	(0.12)	(0.11)	(0.08)
Total Outflows	(0.68)	(0.71)	(0.78)	(0.56)	(0.60)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

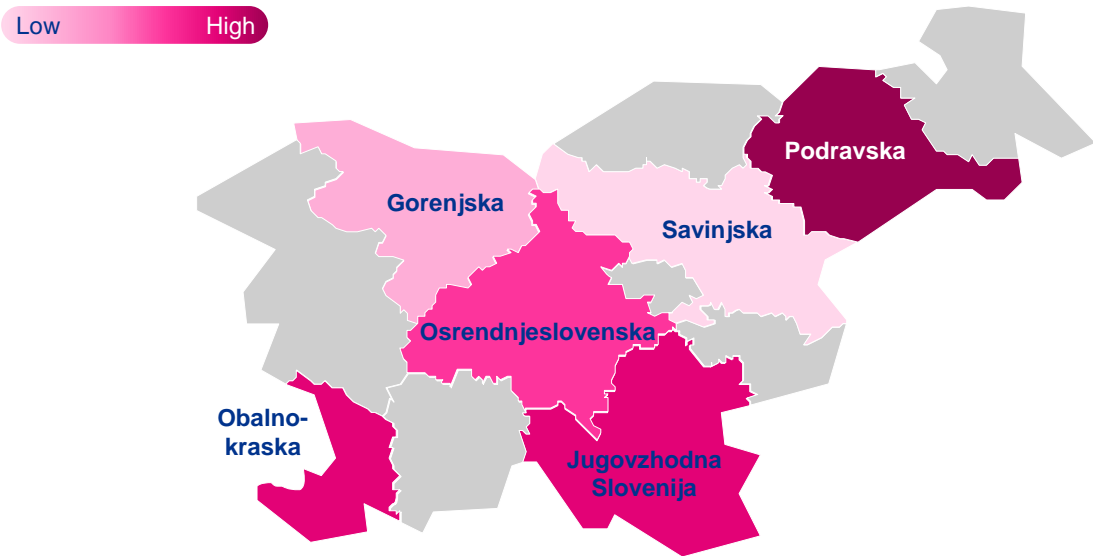
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

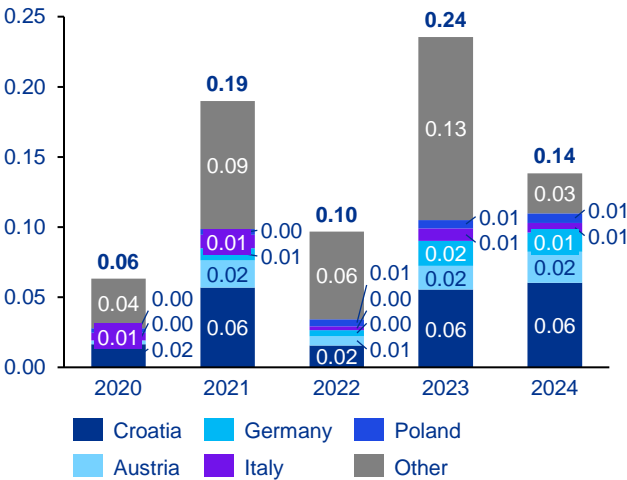


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

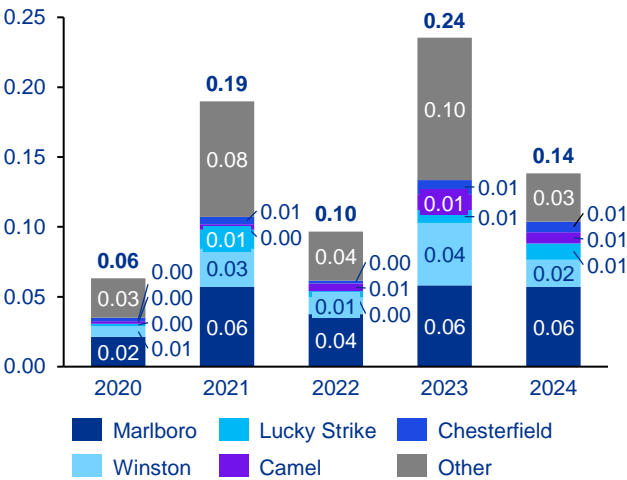
Source: (1) KPMG European Flows Calculation 2024; ; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

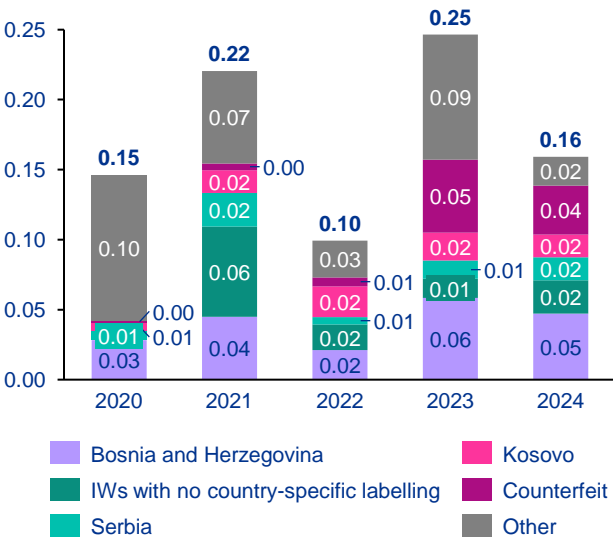


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

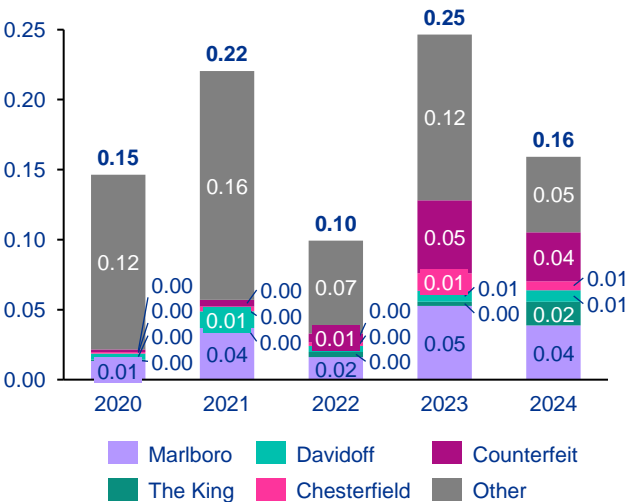


- Legal inflows (ND(L)) decreased in 2024, primarily driven by a decrease in legal flows from smaller source markets grouped together within ‘Other’
- Illicit inflows (C&C) decreased in 2024. This was primarily driven by a decline in illicit flows from ‘Other’ smaller markets

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024

Spain



41.0bn

Cigarettes consumed


+0.30bn
on 2023

1.4bn

C&C cigarettes consumed


+0.20bn
on 2023

3.3%

Of total consumption was C&C

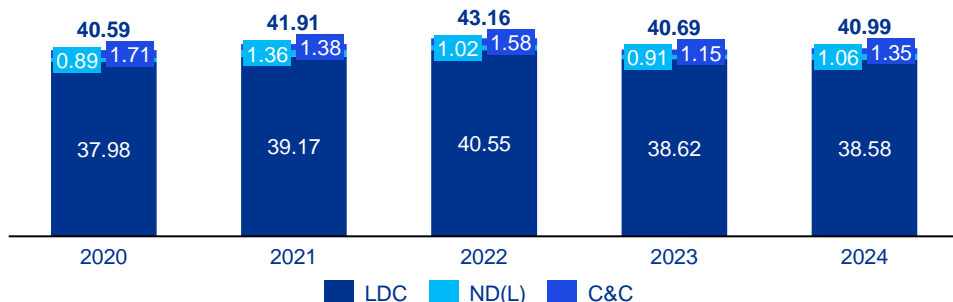

+0.46ppt
on 2023

€263m

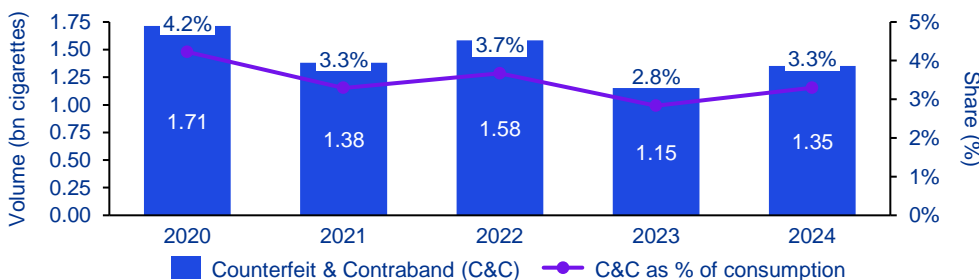
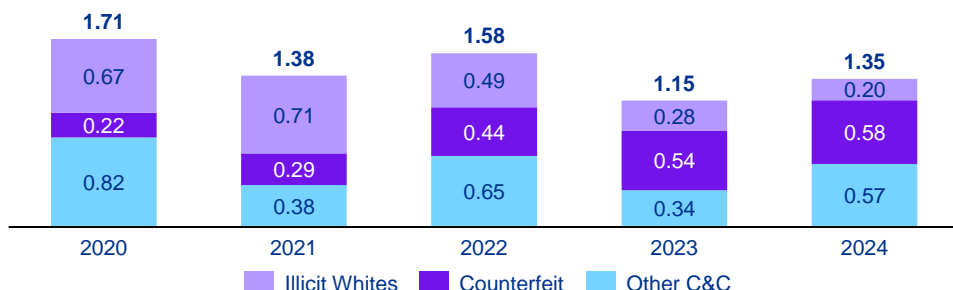
Total tax revenue lost from C&C^(b)

+€52m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾


- C&C as a share of total cigarette consumption increased by 0.5ppts to 3.3% in 2024
- This increase was driven by higher Other C&C and Counterfeit volumes, partially offset by a decline in Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}


Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Spain Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	41.40	42.12	43.79	42.54	42.95	1%
Outflows	(3.42)	(2.95)	(3.24)	(3.92)	(4.37)	11%
Legal Domestic Consumption (LDC)	37.98	39.17	40.55	38.62	38.58	(0%)
Non-Domestic Legal (ND(L))	0.89	1.36	1.02	0.91	1.06	16%
Counterfeit and Contraband (C&C)	1.71	1.38	1.58	1.15	1.35	17%
Total Non-Domestic	2.61	2.74	2.61	2.07	2.41	17%
Total Consumption	40.59	41.91	43.16	40.69	40.99	1%

- Total consumption remained relatively stable in 2024, driven by an increase in Non-Domestic inflows which increased by 17%, largely due to higher inflows from 'Unspecified' origins
- Outflows increased by 11%, driven by increased outflows to France and other smaller markets grouped together under 'Other'

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Spain

Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	0.22	0.29	0.44	0.54	0.58
Unspecified	0.00	0.06	0.52	0.28	0.53
Canary Islands	0.02	0.11	0.19	0.24	0.25
Other	2.36	2.28	1.45	1.00	1.04
Total Inflows	2.61	2.74	2.61	2.07	2.41

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Spain

Billion cigarettes	2020	2021	2022	2023	2024
France	(2.77)	(2.56)	(2.62)	(3.23)	(3.36)
Other	(0.65)	(0.39)	(0.62)	(0.69)	(1.00)
Total Outflows	(3.42)	(2.95)	(3.24)	(3.92)	(4.37)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

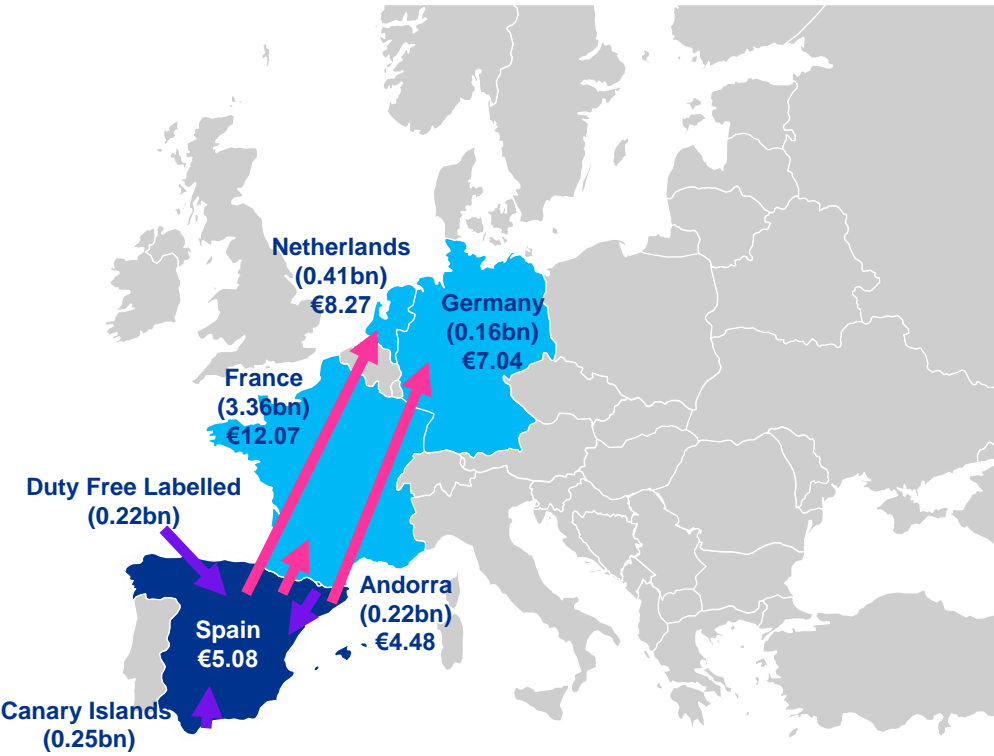
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

- Spain
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

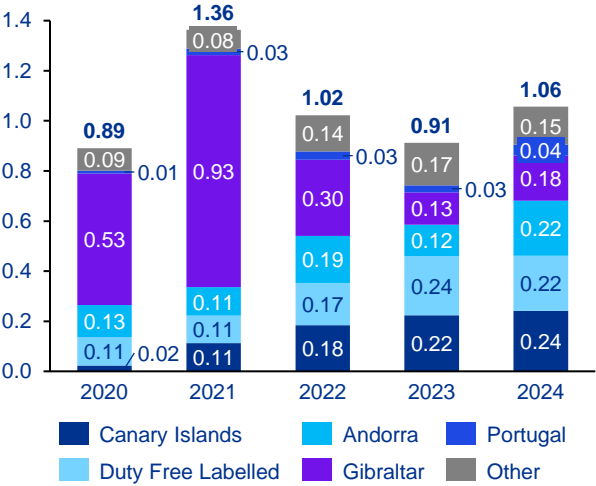


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

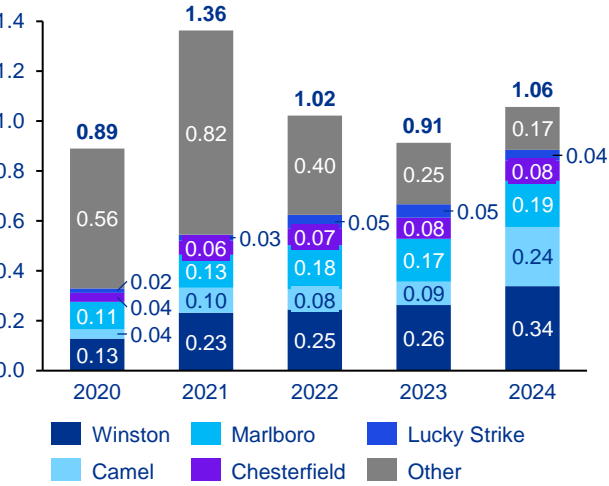
Source: (1) KPMG European Flows Calculation 2024 ; (2) Prices and tax rates, EC Excise Duty, 2024 (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

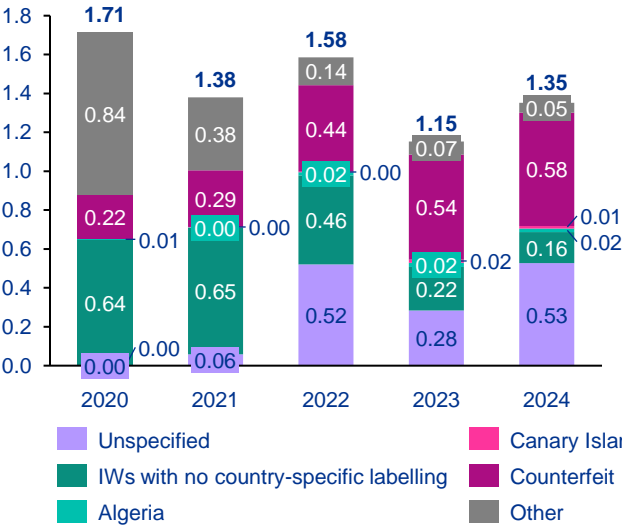


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

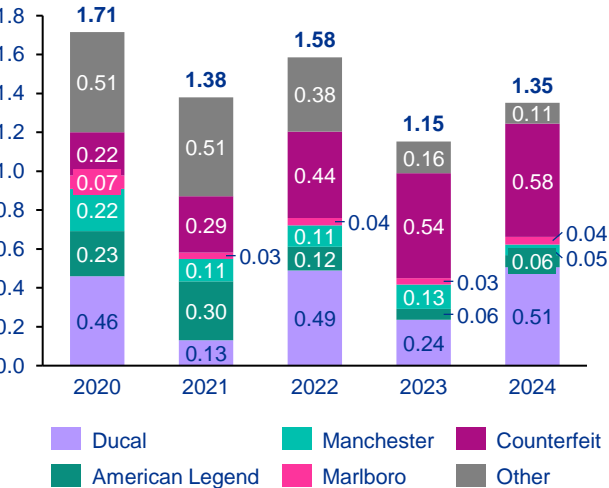


- Legal inflows (ND(L)) increased in 2024, driven by higher legal flows from Andorra and Gibraltar
- Illicit consumption (C&C) increased in 2024, driven by higher illicit flows from Unspecified origins, partially offset by decline in flows from Illicit Whites with no country-specific labelling.
- 'Unspecified' origin packs are predominantly comprised of the brand 'Ducal' which, in 2020 and 2021, primarily bore Gibraltarian labelling. Whilst these packs no longer specify a country of origin, analysis indicates many of these Ducal packs (97%) were found in the Andalucia region which borders Gibraltar

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024



Sweden



C&C cigarette consumption and total consumption

4.5bn

Cigarettes consumed

-0.06bn
on 2023

0.4bn

C&C cigarettes consumed

+0.06bn
on 2023

8.4%

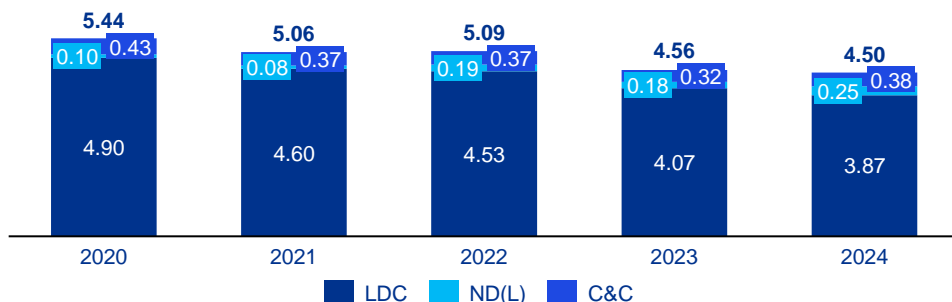
Of total consumption was C&C

+1.40ppt
on 2023

€92m

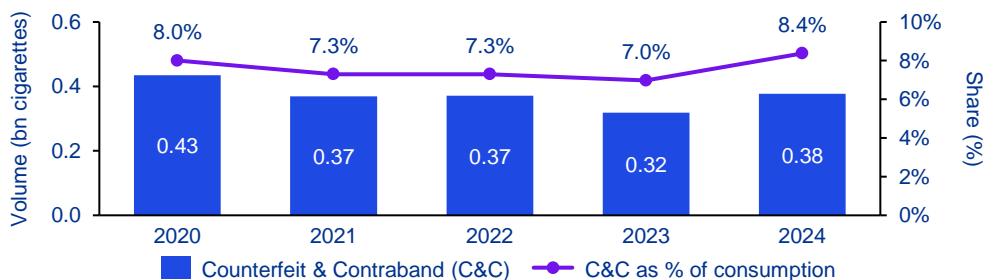
(SEK1,063m)⁽³⁾Total tax revenue lost from C&C^(b)+€23m
on 2023

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾



- C&C as a share of total consumption increased by 1.4ppts to 8.4%, the highest share during the reporting period
- This increase was driven by higher Other C&C volumes, partially offset by a decline in Counterfeit and Illicit Whites

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}



Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) EUR 1 = SEK 11.538, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Sweden Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	5.01	4.79	4.79	4.46	4.28	(4%)
Outflows	(0.11)	(0.18)	(0.26)	(0.39)	(0.41)	5%
Legal Domestic Consumption (LDC)	4.90	4.60	4.53	4.07	3.87	(5%)
Non-Domestic Legal (ND(L))	0.10	0.08	0.19	0.18	0.25	42%
Counterfeit and Contraband (C&C)	0.43	0.37	0.37	0.32	0.38	18%
Total Non-Domestic	0.54	0.45	0.56	0.49	0.63	27%
Total Consumption	5.44	5.06	5.09	4.56	4.50	(1%)

- Total cigarette consumption remained relatively stable in 2024, with the decline in Legal Domestic Consumption offset by an increase in Non-Domestic inflows
- Non-Domestic inflows increased by 27%, driven by increases across all major source markets, except for declining Counterfeit volumes
- Outflows to Norway increased, whilst outflows to Denmark declined

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Sweden					
Billion cigarettes	2020	2021	2022	2023	2024
Duty Free Labelled	0.17	0.07	0.15	0.10	0.16
Poland	0.07	0.07	0.09	0.06	0.09
Counterfeit	0.04	0.09	0.07	0.11	0.07
Germany	0.01	0.00	0.01	0.01	0.04
Denmark	0.01	0.01	0.02	0.01	0.04
Other	0.24	0.22	0.22	0.20	0.25
Total Inflows	0.54	0.45	0.56	0.49	0.63

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Sweden					
Billion cigarettes	2020	2021	2022	2023	2024
Norway	(0.02)	(0.09)	(0.17)	(0.22)	(0.28)
Denmark	(0.03)	(0.07)	(0.05)	(0.10)	(0.07)
Other	(0.06)	(0.02)	(0.04)	(0.07)	(0.06)
Total Outflows	(0.11)	(0.18)	(0.26)	(0.39)	(0.41)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

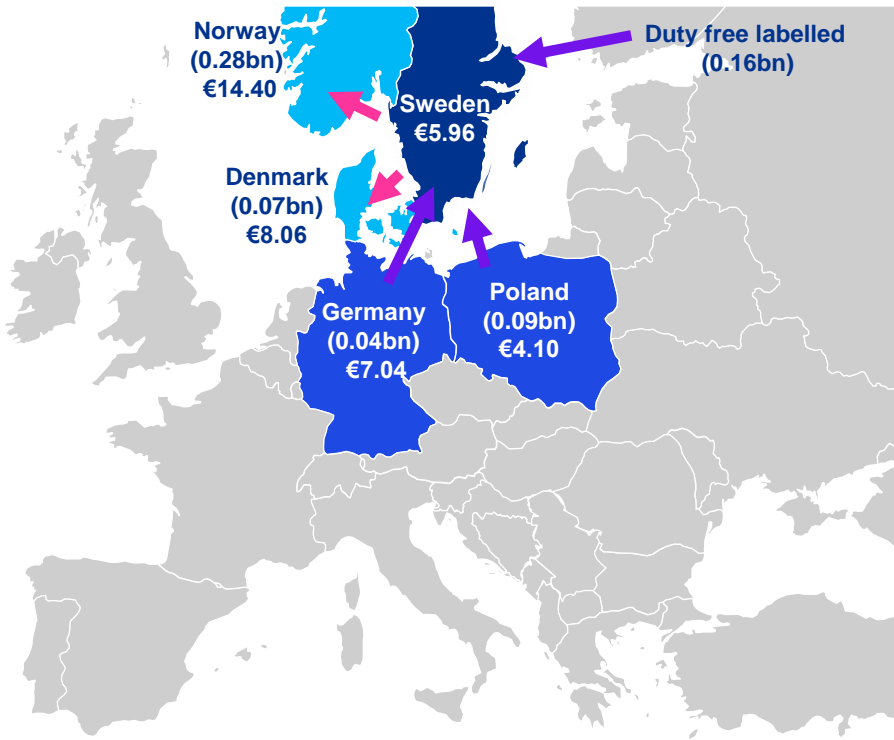
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

- Sweden
- Source
- Destination
- Inflow
- Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

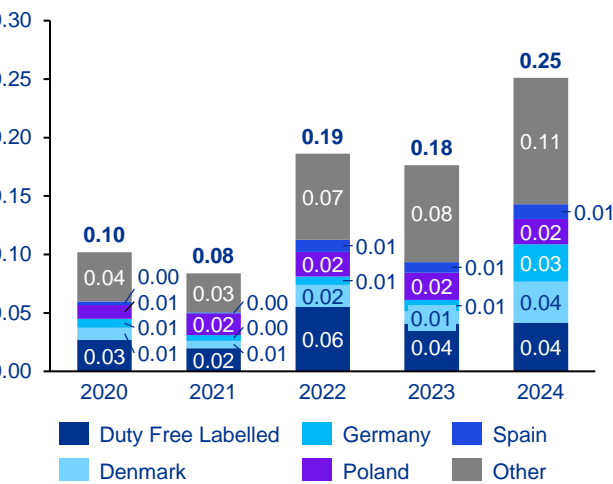


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

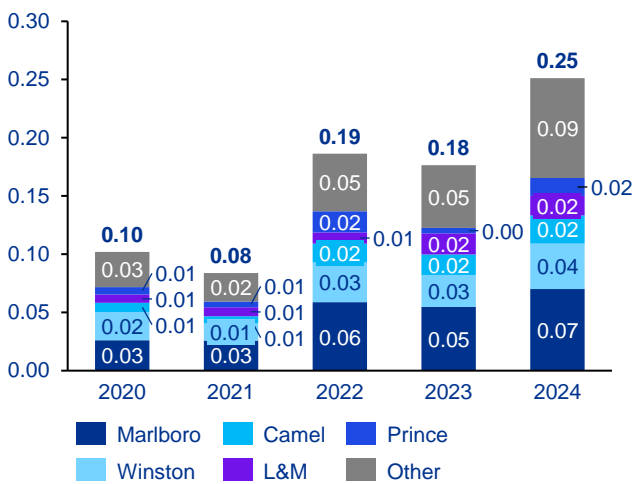
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

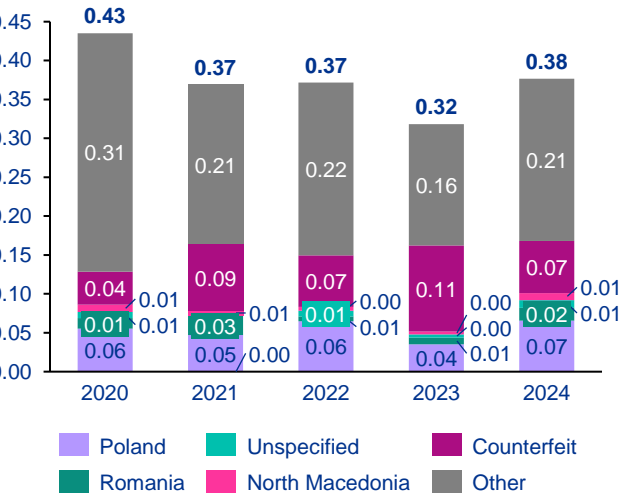


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

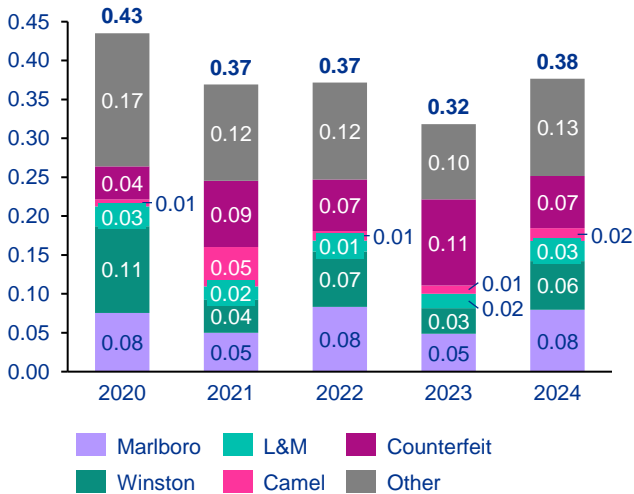


- Legal inflows (ND(L)) increased in 2024 driven by increased legal flows from Denmark, Germany and 'Other' smaller markets
- Illicit inflows increased by 18%, driven by higher illicit flows from Poland and 'Other' smaller markets, partly offset by decline in Counterfeit volumes

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024



Switzerland



8.6bn

Cigarettes consumed

-0.34bn
on 2023

0.3bn

C&C cigarettes consumed

-0.13bn
on 2023

3.5%

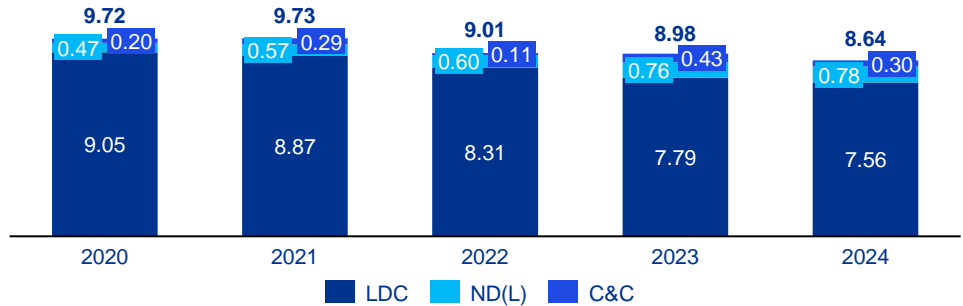
Of total consumption was C&C

-1.27ppt on
2023

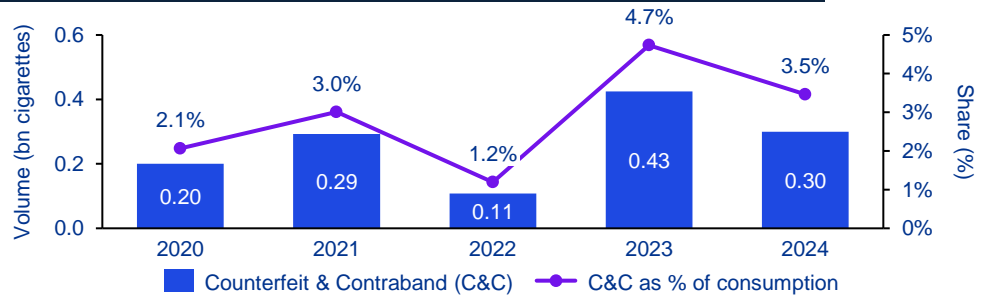
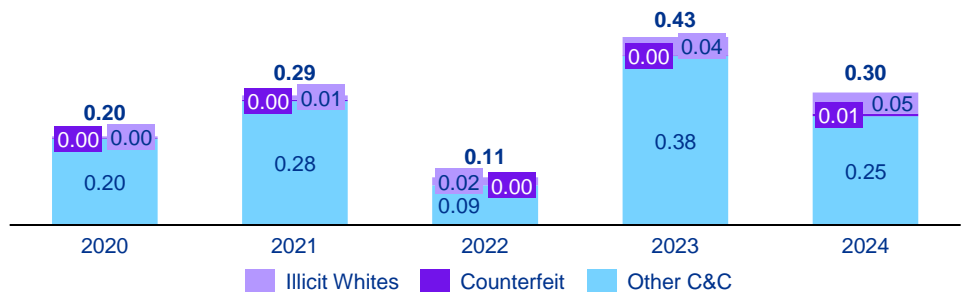
€82m

(CHF76m)⁽³⁾Total tax revenue lost from C&C^(b)-€30m
on 2023

C&C cigarette consumption and total consumption

Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

— C&C as a share of total consumption decreased by 1.2ppts to 3.5% in 2024, primarily driven by a decrease in Other C&C

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) EUR 1 = CHF 0.931, InfoEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total Switzerland Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	9.19	8.94	8.46	7.99	7.78	(3%)
Outflows	(0.15)	(0.07)	(0.15)	(0.20)	(0.23)	13%
Legal Domestic Consumption (LDC)	9.05	8.87	8.31	7.79	7.56	(3%)
Non-Domestic Legal (ND(L))	0.47	0.57	0.60	0.76	0.78	3%
Counterfeit and Contraband (C&C)	0.20	0.29	0.11	0.43	0.30	(30%)
Total Non-Domestic	0.68	0.87	0.71	1.19	1.08	(9%)
Total Consumption	9.72	9.73	9.01	8.98	8.64	(4%)

- Total cigarette consumption decreased by 4% in 2024, driven by a decrease in both Legal Domestic Consumption and Non-Domestic inflows
- Inflows decreased by 9% in 2024, largely driven by a decline in inflows from 'Other' smaller markets, partially offset by an increase in German inflows
- Outflows from Switzerland increased by 13%, with increased outflows to France, Germany and Austria, partly offset by a decline in flows to 'Other' smaller destination markets

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to Switzerland					
Billion cigarettes	2020	2021	2022	2023	2024
Duty Free Labelled	0.14	0.22	0.27	0.39	0.35
Germany	0.16	0.10	0.09	0.04	0.14
Italy	0.03	0.07	0.07	0.10	0.10
Kosovo	0.01	0.07	0.03	0.06	0.08
France	0.06	0.07	0.05	0.05	0.06
Other	0.28	0.33	0.19	0.55	0.36
Total Inflows	0.68	0.87	0.71	1.19	1.08

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from Switzerland					
Billion cigarettes	2020	2021	2022	2023	2024
France	(0.05)	(0.02)	(0.03)	(0.04)	(0.06)
Germany	(0.04)	(0.02)	(0.03)	(0.04)	(0.06)
Netherlands	(0.03)	(0.01)	(0.02)	(0.03)	(0.03)
Austria	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)
Other	(0.03)	(0.03)	(0.07)	(0.08)	(0.05)
Total Outflows	(0.15)	(0.07)	(0.15)	(0.20)	(0.23)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

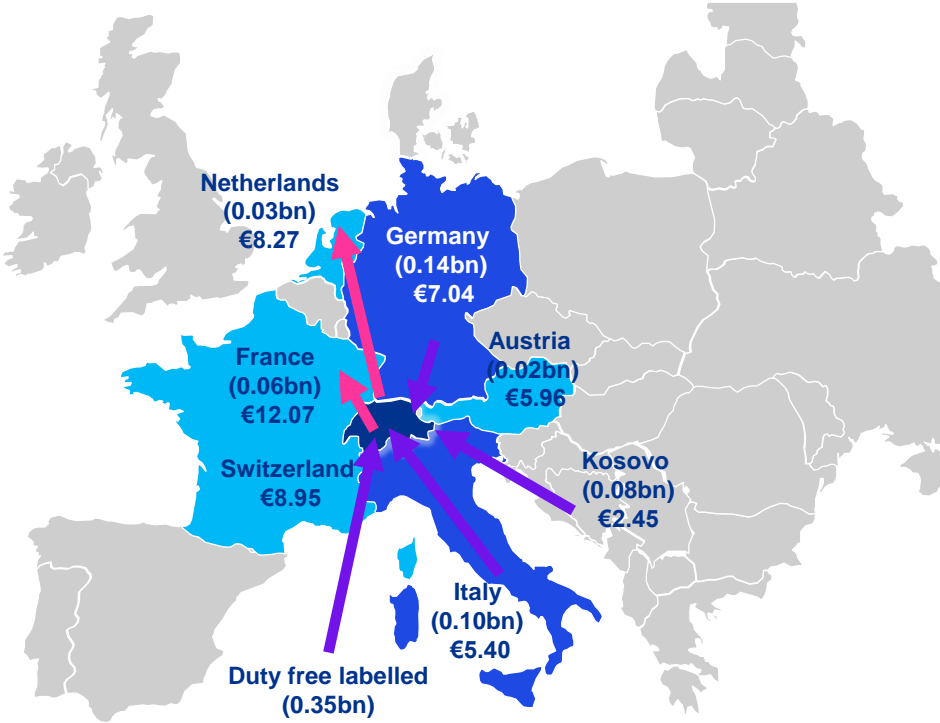
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}

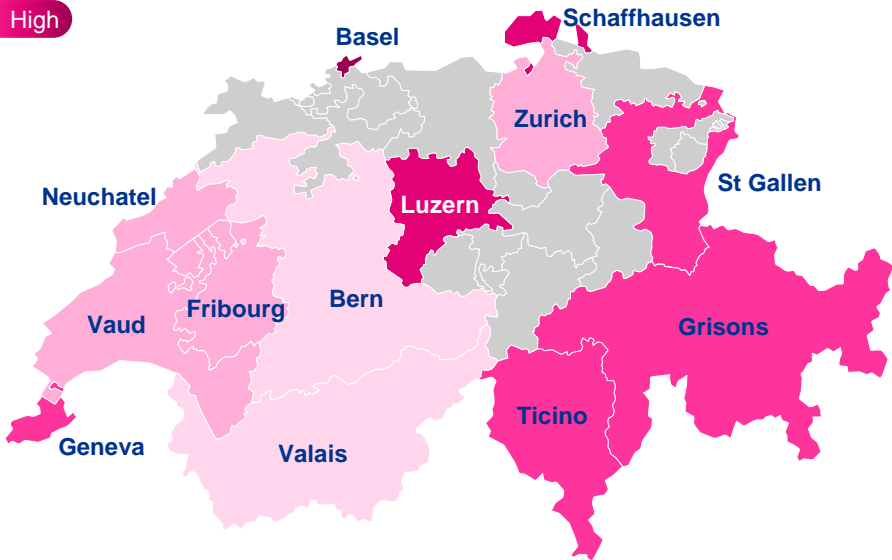
- Switzerland
- Source
- Destination
- ↑ Inflow
- ↑ Outflow

Label description:
Country (Inflow/
Outflow Volume)
Weighted Average
Price per pack



C&C % by region^{(1)(b)(c)}

Low High

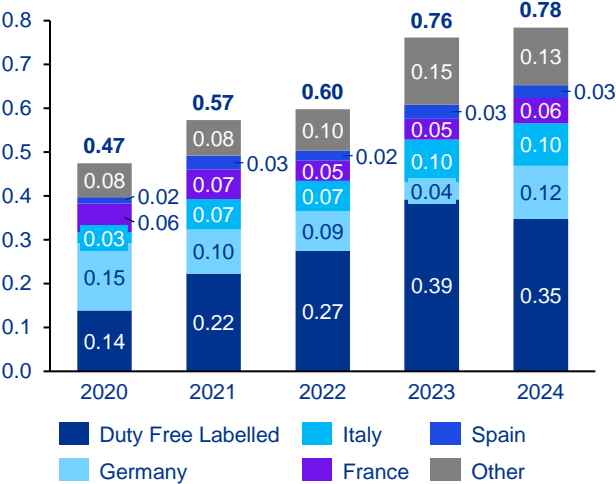


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

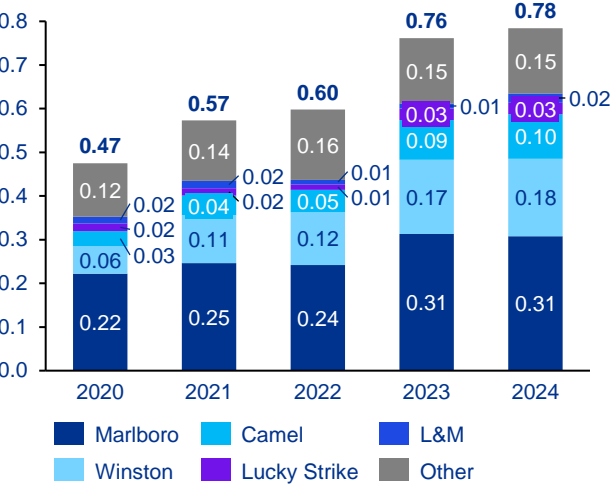
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

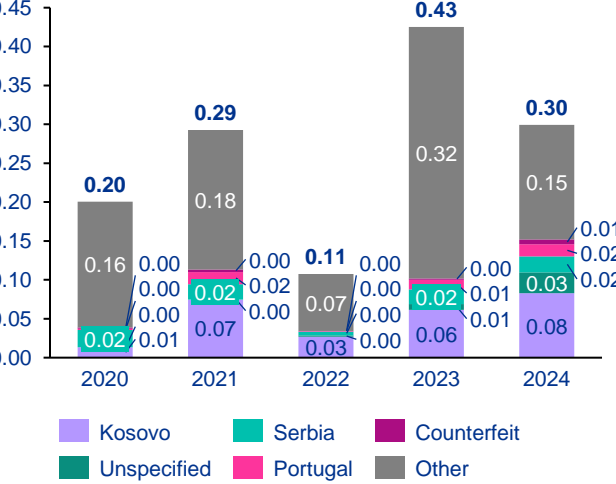


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

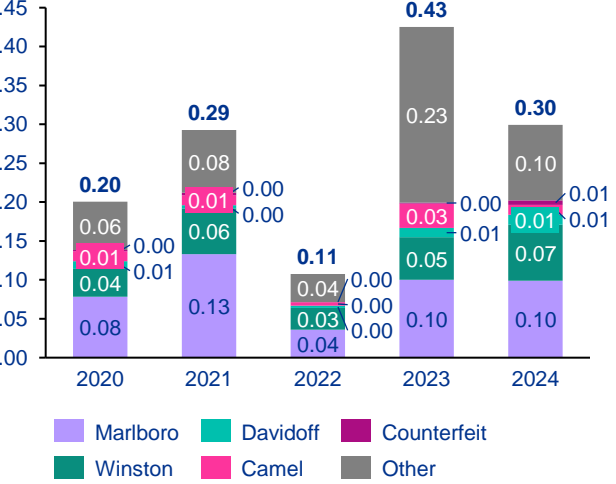


- Legal inflows (ND(L)) remained relatively stable in 2024
- Illicit inflows (C&C) decreased, primarily driven by a decrease in illicit inflows from smaller source markets grouped together within 'Other'

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024

Ukraine



37.2bn

Cigarettes
consumed-1.35bn
on 2023

6.0bn

C&C cigarettes
consumed-2.42bn
on 2023

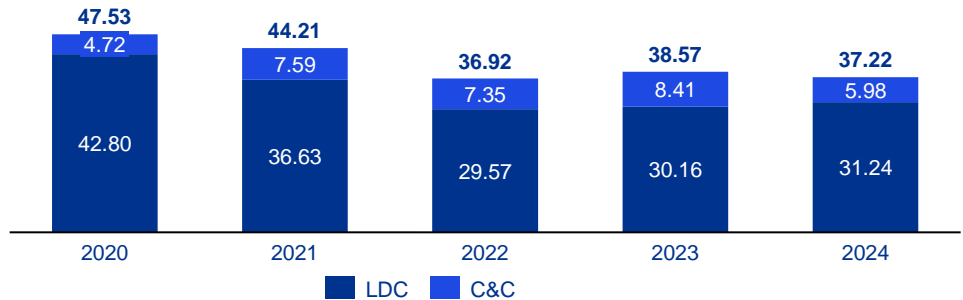
16.1%

Of total consumption
was C&C-5.72ppt on
2023

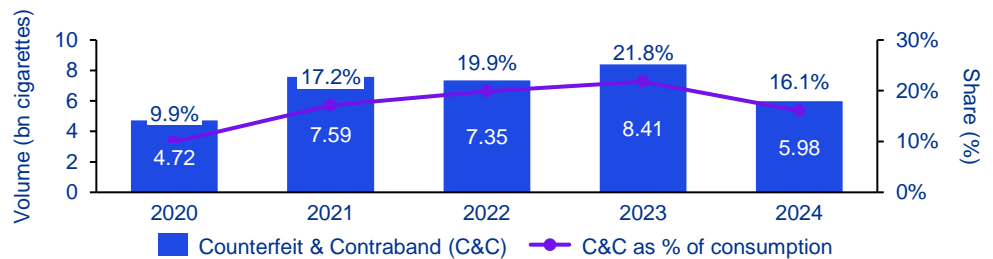
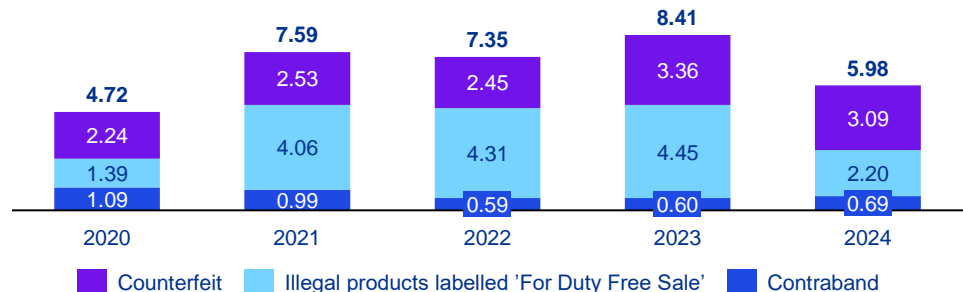
€467m

(UAH20,475m)⁽³⁾Total tax revenue
lost from C&C^(c)-€356m
on 2023

C&C cigarette consumption and total consumption

Total measured consumption – 2020-2024 (bn cigarettes)^{(1)(2)(a)}

- C&C as a share of total cigarette consumption decreased by 5.7ppts to 16.1% in 2024, driven by significant declines in Illegal products labelled 'For Duty Free Sale' and, to a lesser extent, Counterfeit

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(b)}

Note: (a) Pack swap survey data for Ukraine does not contain information regarding the origin of packs collected. Therefore, Non-Domestic Legal (ND(L)) inflows cannot be estimated. Refer to the Methodology section for further details; (b) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (c) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (d) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) EUR 1 = UAH 43.844, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total measured manufactured cigarette consumption – 2020-2024^{(1)(2)(a)}

Total measured Ukraine Consumption						
Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	44.37	37.50	30.27	30.54	31.62	4%
Outflows	(1.56)	(0.87)	(0.71)	(0.38)	(0.39)	2%
Legal Domestic Consumption (LDC)	42.80	36.63	29.57	30.16	31.24	4%
Non-Domestic Legal (ND(L)) ^(a)	n/a	n/a	n/a	n/a	n/a	n/a
Counterfeit and Contraband (C&C)	4.72	7.59	7.35	8.41	5.98	(29%)
Total Non-Domestic	4.72	7.59	7.35	8.41	5.98	(29%)
Total Measured Consumption	47.53	44.21	36.92	38.57	37.22	(3%)

- Total consumption declined by 3% in 2024, due to a decline in Non-Domestic inflows
- Illegal products labelled 'For Duty Free Sale' inflows have declined significantly compared to previous periods. The proportion of Illegal products labelled 'For Duty Free Sale' in Non-Domestic inflows has fallen below that of Counterfeit, a break from the trend observed since 2021
- Outflows have increased marginally in 2024, with the increase in outflows to Poland offset by declines in outflows to other major markets and smaller markets grouped together under 'Other'

Total inflows by country of origin – 2020-2024^{(1)(a)(b)}

Inflows to Ukraine					
Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	2.24	2.53	2.45	3.36	3.09
Illegal products labelled 'For Duty Free Sale'	1.39	4.06	4.31	4.45	2.20
Contraband	1.09	0.99	0.59	0.60	0.69
Total Inflows	4.72	7.59	7.35	8.41	5.98

Total outflows by destination – 2020-2024^{(1)(b)}

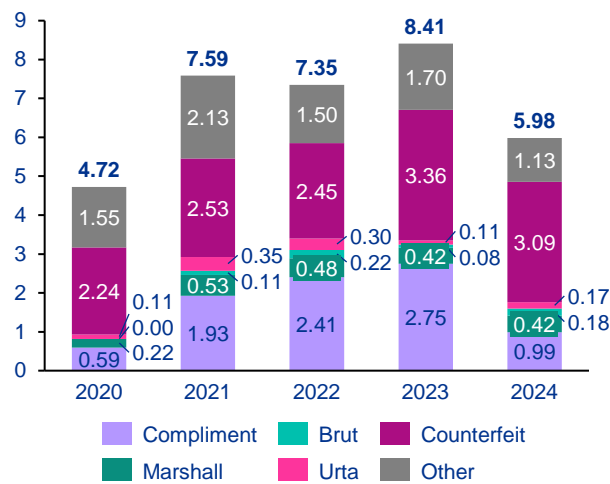
Outflows from Ukraine					
Billion cigarettes	2020	2021	2022	2023	2024
Poland	(0.88)	(0.34)	(0.22)	(0.08)	(0.16)
Czech Republic	(0.05)	(0.06)	(0.05)	(0.08)	(0.06)
Germany	(0.12)	(0.09)	(0.07)	(0.05)	(0.03)
Hungary	(0.04)	(0.02)	(0.02)	(0.01)	(0.02)
Italy	(0.09)	(0.04)	(0.05)	(0.04)	(0.02)
Other	(0.40)	(0.32)	(0.31)	(0.12)	(0.10)
Total Outflows	(1.56)	(0.87)	(0.71)	(0.38)	(0.39)

Note: (a) Pack swap survey data for Ukraine does not contain information regarding the origin of packs collected. Therefore, inflows to Ukraine have not been broken down by origin and ND(L) inflows cannot be estimated. Refer to the Methodology section for further details; (b) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data;

C&C flows

C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)(b)}



- Illicit consumption (C&C) declined by 29% in 2024, driven by a decline in illicit inflows of the Compliment brand
- Brut and Urta have seen increased illicit inflows compared to 2023
- Counterfeit remains the major constituent of illicit consumption (C&C) in Ukraine

Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys; (b) Please note that country of origin for the packs are not available in the Ukrainian pack swap survey. As such, ND(L) and C&C by country of origin cannot be estimated

Source: (1) KPMG European Flows Calculation, 2020-2024;



United Kingdom



C&C cigarette consumption and total consumption

23.2bn

Cigarettes consumed



5.9bn

C&C cigarettes consumed



25.6%

Of total consumption was C&C



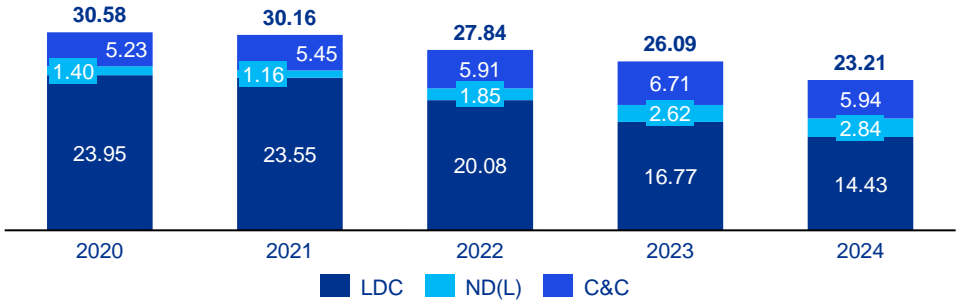
€3,788m

(GBP3,153m)⁽³⁾

Total tax revenue lost from C&C^(b)

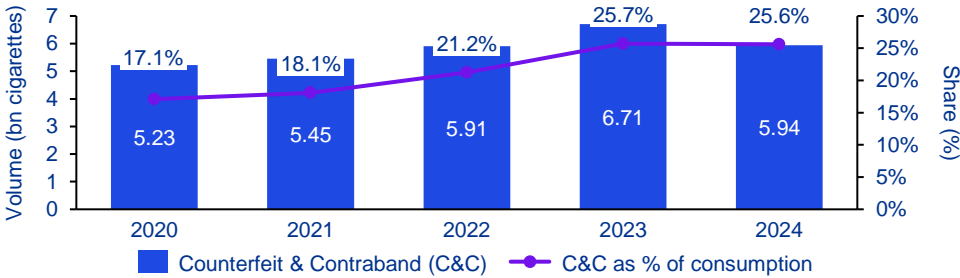


Total consumption – 2020-2024 (bn cigarettes)⁽¹⁾⁽²⁾

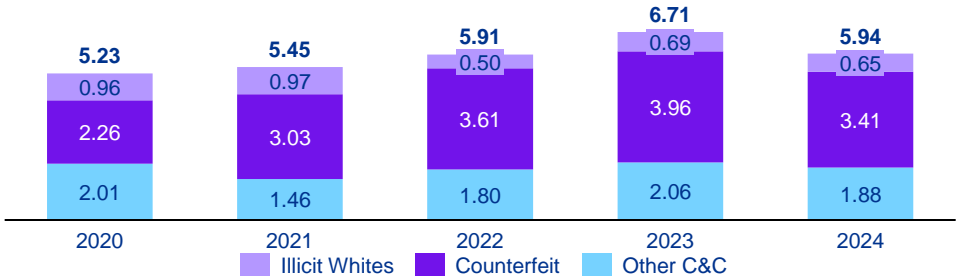


- C&C as a share of total consumption remained stable in 2024, with declining C&C volumes and total cigarette consumption
- This decrease was driven by lower Counterfeit and Other C&C volumes

Manufactured cigarette C&C volumes and share of overall cigarette consumption – 2020-2024⁽¹⁾⁽²⁾



C&C consumption by type – 2020-2024 (bn cigarettes)^{(1)(2)(a)}



Note: (a) C&C breakdown chart only includes Counterfeit volumes related to brands of manufacturers who participate in the empty pack/yellow bag/pack swap surveys; (b) Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country of study; (c) Due to rounding, segments highlighted in the charts may not add up to the total and year-on-year changes highlighted in the sidebar may differ from the charts

Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data; (3) EUR 1 = GBP 0.832, InforEuro, European Commission, December 2024

Manufactured cigarette consumption, inflows and outflows

Total manufactured cigarette consumption – 2020-2024⁽¹⁾⁽²⁾

Total UK Consumption

Billion cigarettes	2020	2021	2022	2023	2024	2023-24 (%)
Legal Domestic Sales (LDS)	24.13	23.68	20.34	17.03	14.70	(14%)
Outflows	(0.18)	(0.13)	(0.26)	(0.26)	(0.27)	2%
Legal Domestic Consumption (LDC)	23.95	23.55	20.08	16.77	14.43	(14%)
Non-Domestic Legal (ND(L))	1.40	1.16	1.85	2.62	2.84	9%
Counterfeit and Contraband (C&C)	5.23	5.45	5.91	6.71	5.94	(11%)
Total Non-Domestic	6.62	6.61	7.76	9.32	8.78	(6%)
Total Consumption	30.58	30.16	27.84	26.09	23.21	(11%)

- Total consumption decreased by 11% in 2024, driven by a decline in both Legal Domestic Sales and Non-Domestic inflows
- Non-Domestic inflows decreased by 6% in 2024, primarily driven by a decline in Counterfeit and Romanian inflows, partly offset by an increase in flows of Duty Free Labelled products
- Outflows from the UK remained relatively stable

Total inflows by country of origin – 2020-2024^{(1)(a)}

Inflows to UK

Billion cigarettes	2020	2021	2022	2023	2024
Counterfeit	2.26	3.03	3.61	3.96	3.41
Duty Free Labelled	0.65	0.47	1.17	1.56	1.85
Poland	1.03	0.72	0.60	0.78	0.76
Romania	0.16	0.34	0.58	0.75	0.43
IWs with no country-specific labelling	0.25	0.39	0.22	0.38	0.43
Other	2.27	1.65	1.59	1.88	1.90
Total Inflows	6.62	6.61	7.76	9.32	8.78

Total outflows by destination – 2020-2024^{(1)(a)}

Outflows from UK

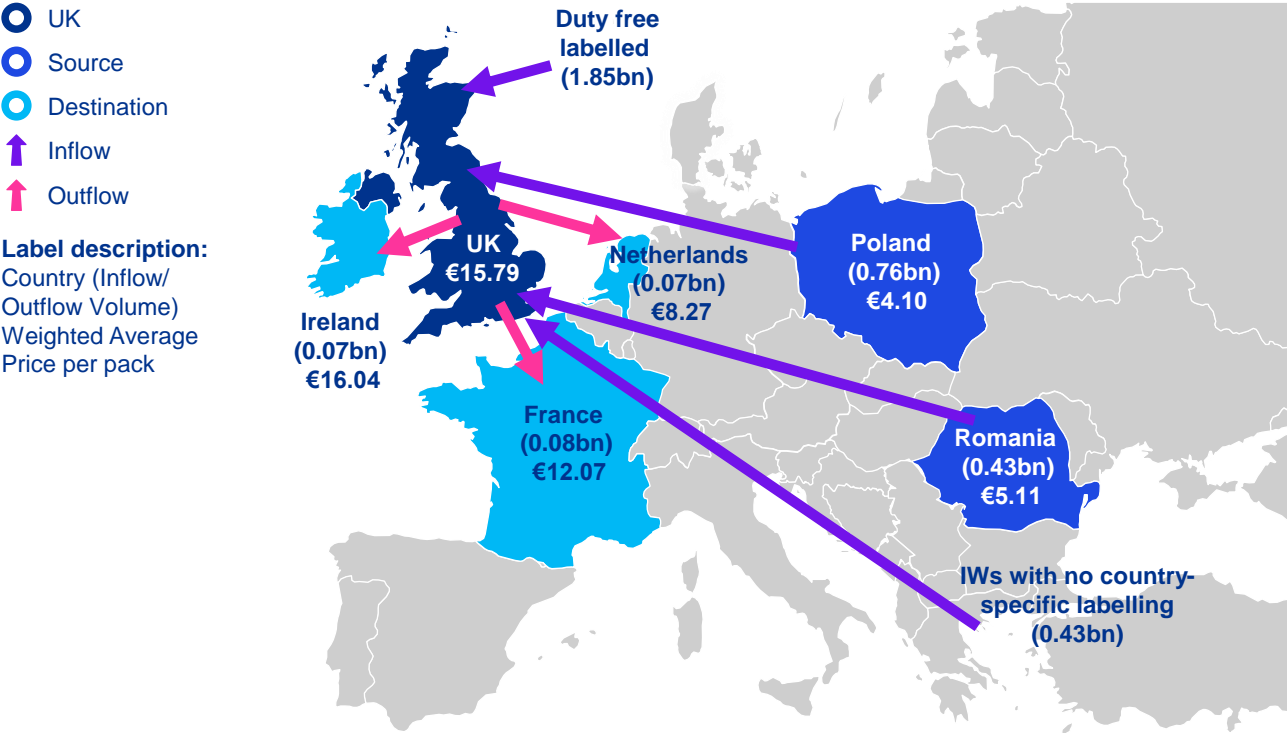
Billion cigarettes	2020	2021	2022	2023	2024
France	(0.04)	(0.05)	(0.06)	(0.06)	(0.08)
Ireland	(0.02)	(0.02)	(0.04)	(0.05)	(0.07)
Netherlands	(0.07)	(0.00)	(0.05)	(0.06)	(0.07)
Other	(0.05)	(0.06)	(0.11)	(0.10)	(0.05)
Total Outflows	(0.18)	(0.13)	(0.26)	(0.26)	(0.27)

Note: (a) The inflow and outflow tables only show the top five sources/destinations or countries that make up 80% of total flows

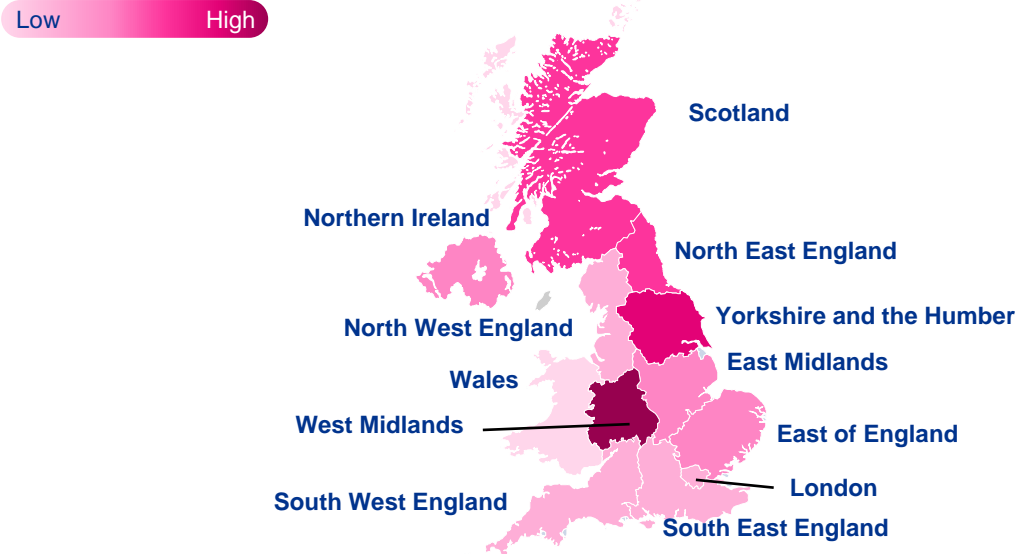
Source: (1) KPMG European Flows Calculation, 2020-2024; (2) In Market Sales data

Key flows and C&C consumption patterns

Key inflows and outflows^{(1)(a)}



C&C % by region^{(1)(b)(c)}

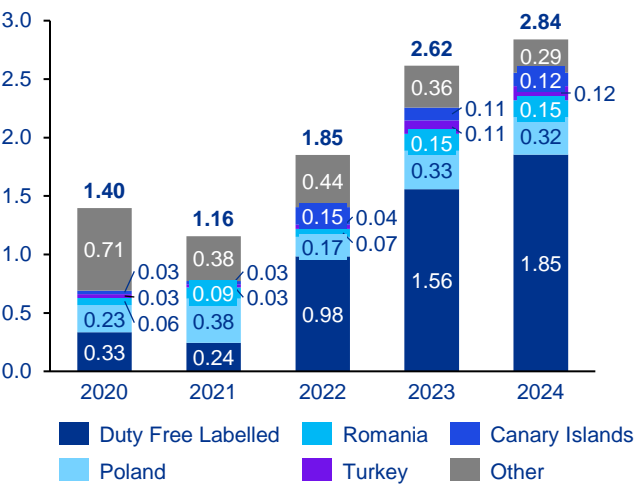


Note: (a) For countries with both inflows and outflows, only the larger of the two flows have been shown; (b) C&C% by region shown is the C&C share (including Counterfeit, Illicit Whites and Other C&C) of total cigarette consumption in the region. C&C scale is specific to this market and is not comparable with other markets in the study. Lighter colour scales do not necessarily imply that there is no C&C consumption in the region; (c) Data not available for regions in grey

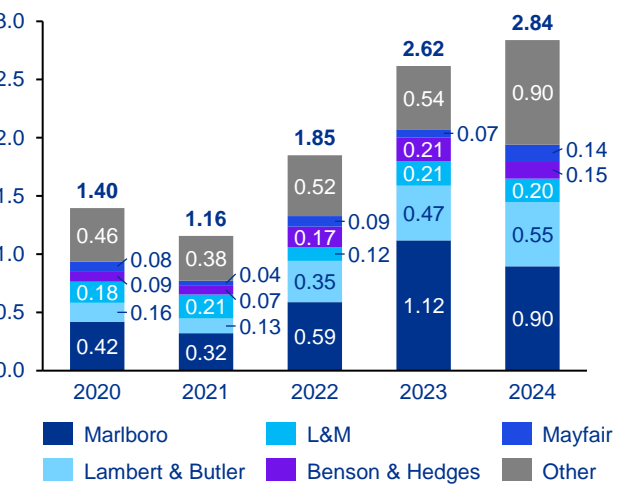
Source: (1) KPMG European Flows Calculation 2024; (2) Prices and tax rates, EC Excise Duty, 2024; (3) Tax rate and WAP, PMI, October 2024; (4) Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022; (5) Prices, Euromonitor, 2022-2024

ND(L) and C&C flows

ND(L) by country of origin – 2020-2024
(bn cigarettes)⁽¹⁾

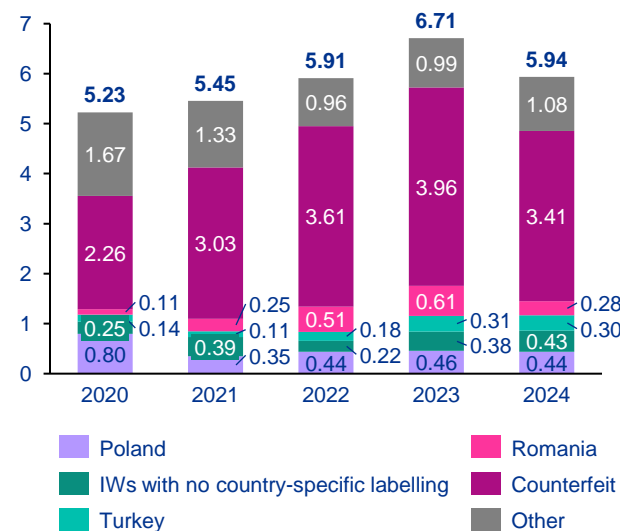


ND(L) by brand – 2020-2024
(bn cigarettes)⁽¹⁾

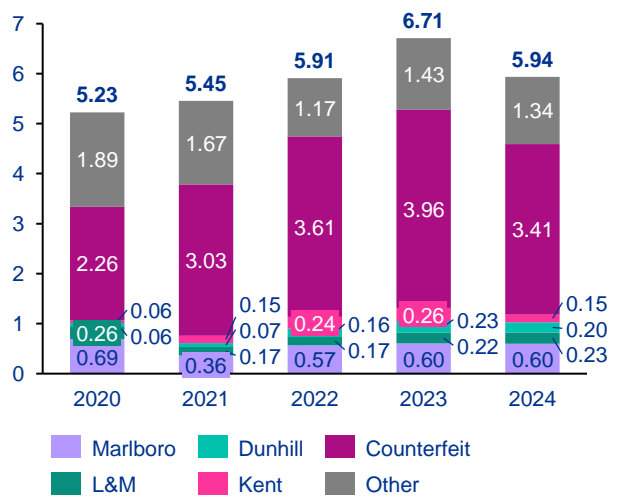


- Legal inflows (ND(L)) increased by 9% in 2024, driven by an increase in legal flows of Duty Free Labelled products, partly offset by a decline in flows from 'Other' smaller markets
- Illicit inflows (C&C) decreased by 11%, driven by a decline in Counterfeit and Romanian illicit inflows, offset, to some extent, by increased inflows from 'Other' smaller markets and Illicit Whites with no country-specific labelling
- Counterfeit accounted for ~57% of illicit inflows in 2024; a similar share to that observed in 2023

C&C by country of origin – 2020-2024
(bn cigarettes)^{(1)(a)}



C&C by brand – 2020-2024
(bn cigarettes)^{(1)(a)}



Note: (a) Only includes Counterfeit volumes related to brands of manufactures who participate in the empty pack/yellow bag/pack swap surveys
Source: (1) KPMG European Flows Calculation, 2020-2024

03



Methodology - Cigarettes

Overview

<p>KPMG has developed and refined its methodology for estimating annual Counterfeit and contraband incidence across European markets since 2006</p>	<p>The methodology has been tested extensively and refined to seek to ensure that it delivers robust and justifiable results</p> <ul style="list-style-type: none"> Our approach integrates multiple sources and custom-built analytical tools From 2018, the annual study (previously known as Project SUN or Project Stella) was commissioned by Philip Morris International. In 2017, Project SUN was commissioned by the Royal United Services Institute (RUSI). RUSI contracted the work with funding from British American Tobacco and Philip Morris International to support RUSI's broader illicit trade research. As part of this, RUSI has also produced an Occasional Paper to shed light on some of the main organised crime dynamics accompanying the trends revealed by the KPMG data. In 2016, similarly, RUSI commissioned Project Sun with funding from British American Tobacco, Philip Morris International and Imperial Tobacco Limited. Prior to this, between 2013-2015, Project Sun was commissioned jointly by the four major tobacco manufacturers (British American Tobacco plc, Imperial Tobacco Limited, JT International SA and Philip Morris International Management SA). KPMG LLP were previously commissioned by Philip Morris International Management SA to produce reports covering 2006 to 2012 ('Project STAR') As a part of the 2018 study, an external panel of experts with a background in law enforcement, brand protection and tobacco control was appointed by KPMG. The panel had a mandate to review the methodology, validate and challenge any assumptions used, and suggest improvements KPMG could make, which were then implemented in the study and the Report. For details on the panel of experts, refer to the 2018 Project Stella Report The 27 EU markets and the UK have been included in the Report since the 2006 results. Norway and Switzerland were included in the 2014 results. Ukraine and Moldova were included in the 2022 results. Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia and Kosovo were included in the 2023 results
<p>The methodology is based primarily on objective evidence from LDS and empty pack/ pack swap survey results, which are input to the bespoke European Flows Calculation</p>	<p>The KPMG European Flows Calculation is a dynamic, iterative approach that is based on Legal Domestic Sales (LDS) and empty pack/ pack swap survey results and is used to estimate overall manufactured cigarette volumes</p> <ul style="list-style-type: none"> The KPMG European Flows Calculation has been developed by KPMG to specifically estimate inflows and outflows of cigarettes between European countries for the purpose of the annual study and Report. It is an iterative, data-driven approach that uses LDS and empty pack survey results to estimate the volume of Non-Domestic outflows and inflows to and from the EU Member States, the UK, Norway, Switzerland, Ukraine, Moldova, Albania, Bosnia & Herzegovina, Montenegro, North Macedonia, Serbia and Kosovo LDS is the starting point of the methodology, from which outflows of legal sales to other countries are then subtracted to estimate Legal Domestic Consumption (LDC) Inflows from other countries are then added to estimate the total consumption within a market. Due to limitations in the data available from pack swap surveys, additional assumptions have been made to estimate inflows to Ukraine and Moldova. Refer to the 'Limitations of Results' section of this Report for further details This methodology has been developed by KPMG for the manufactured cigarettes market specifically. For that reason, an assessment of other tobacco products (both legal and illicit) is excluded from the scope of this Report

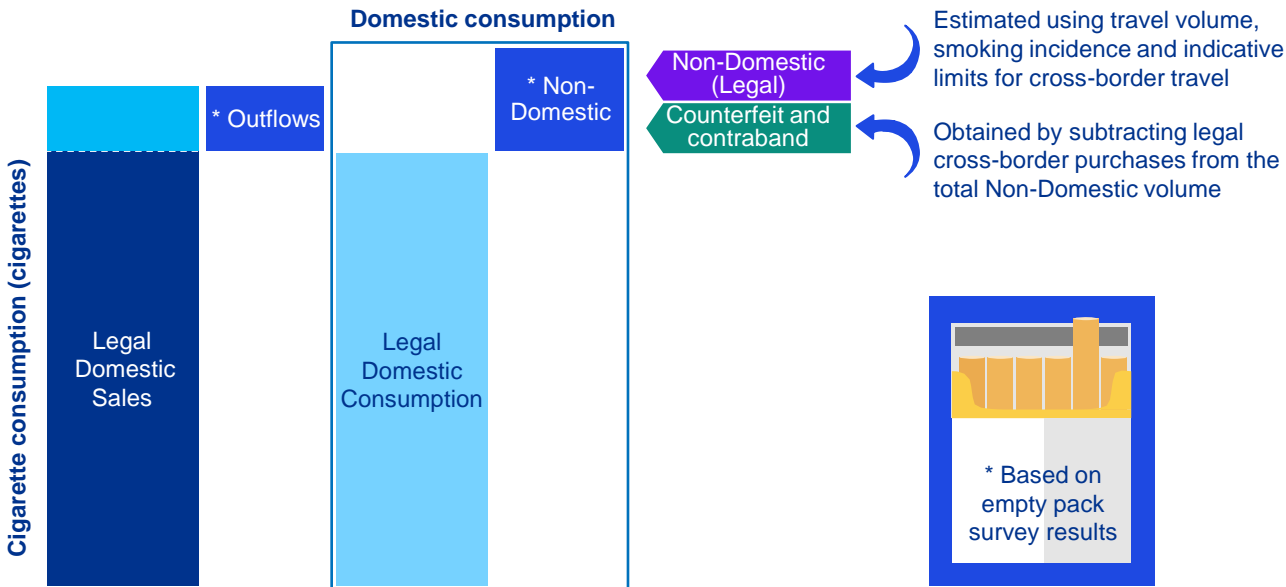
Overview (cont.)

<p>Empty pack/ pack swap survey results provide a robust indication of the incidence of Non-Domestic and Counterfeit packs and their country of origin</p>	<p>An empty pack survey relies purely on physical evidence, avoiding the potential for consumer bias found in interview-based methods</p> <ul style="list-style-type: none"> • Empty pack surveys were separately commissioned by the tobacco manufacturers and conducted by independent market research agencies using a consistent methodology across all the EU27 markets, the UK, Norway, Switzerland, Albania, Bosnia & Herzegovina, Montenegro, North Macedonia, Kosovo and Serbia, allowing for direct comparison of data and the identification of inflows and outflows between all the countries analysed • In Moldova, empty pack surveys were commissioned by PMI between 2018 and 2020. However, between 2021 and 2024, PMI, JTI, IB and BAT commissioned a pack swap survey. All surveys were conducted by independent research agencies • In Ukraine, pack swap surveys were conducted by independent research agencies between 2018 and 2024 commissioned by PMI, JTI, IB and BAT • 584,194 packs were collected in 2024 as part of this research for 38 countries • Further detail regarding the reliability and validity of empty pack survey, the sampling approach and results by country at a regional level are provided later in this Report • The external panel of experts involved in 2018 concluded that “the empty pack survey is the most reliable and objective approach to data collection available”
<p>Tourism and travel trends are used to estimate legal Non-Domestic cigarette purchases</p>	<p>Tourism and travel data provided by publicly-available third-party sources are used to estimate genuine, legal Non-Domestic tobacco purchases (including cross-border shopping) in each market based on inbound visitor inflows</p> <ul style="list-style-type: none"> • United Nations World Tourism Organisation (UNWTO) data is the primary source used to identify travel trends, supplemented with Euromonitor and other publicly available data • European Commission releases^(a) are the source of the weighted average price (WAP) of a pack of cigarettes in EU27 countries. For non-EU27 countries assessed in the study, WAP and tax rates were provided by PMP SA. Where flows come into a country from a higher priced country, they are assumed to be 100% legal, as there is no price incentive for smuggling • Due to limitations in data, Non-Domestic Legal (ND(L)) consumption cannot be estimated for Ukraine. Therefore, Total Measured Consumption (Total consumption excluding ND(L)) has been included in the Ukraine country report. Refer to the ‘Limitations of Results’ section in the appendix for further details
<p>There are some specific limitations in the methodology</p>	<p>Given the complexity of measuring C&C, we recognise there are some limitations within the methodology</p> <p>There are broadly two types of limitations: scope exclusions and source limitations</p> <ul style="list-style-type: none"> • Scope exclusions include areas which cannot or have not been accounted for in our scope of work and approach, such as geographic, brand (non-participating manufacturer counterfeit), category exclusions (other tobacco products) and legal domestic product flows out of the Europe • Source limitations include the availability of information and the potential errors inherent with any data sources such as sampling criteria, coverage issues and seasonality factors
<p>To help improve the accuracy of results, some minor refinements were necessary at a country level</p>	<p>Comparison of results from alternative sources identified a few markets where country-to-country flows required minor adjustment</p> <ul style="list-style-type: none"> • In nearly all instances, overall country results and flows from the KPMG European Flows Calculation appeared in line with estimates from other third-party sources. However, in a limited number of instances, specific adjustments were made to country-to-country flows where additional data provided by third parties or manufacturers allowed for further refinement of the analysis. Refer to page 235 for further details

Notes: (a) EC Excise Duty Tables, 2024. At the time of publication of this Report, the latest WAP data available from the European Commission Excise Duty tables were for the year 2024

Overview (cont.)

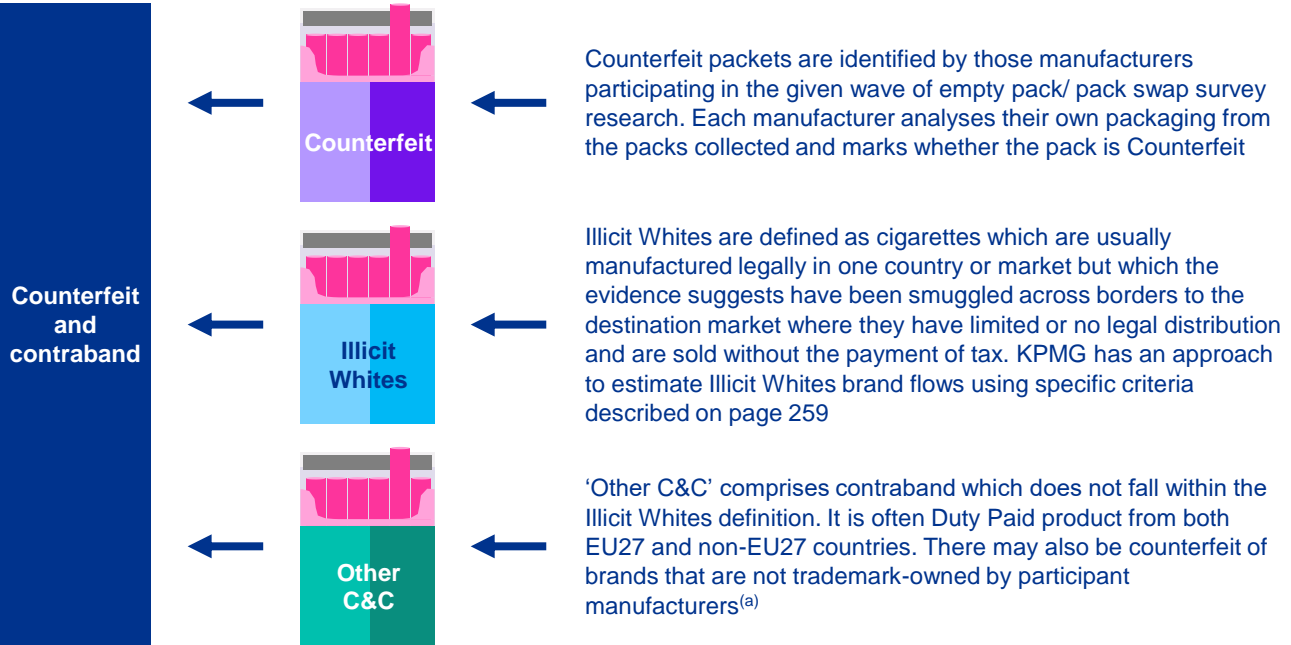
This methodology uses LDS, empty pack survey results and other consumer research to estimate the volume of C&C cigarettes consumed in 38 European markets



This methodology was developed by KPMG. It has been deployed consistently since 2006, enabling comparisons to be made between Counterfeit and contraband volumes from year to year

Overview (cont.)

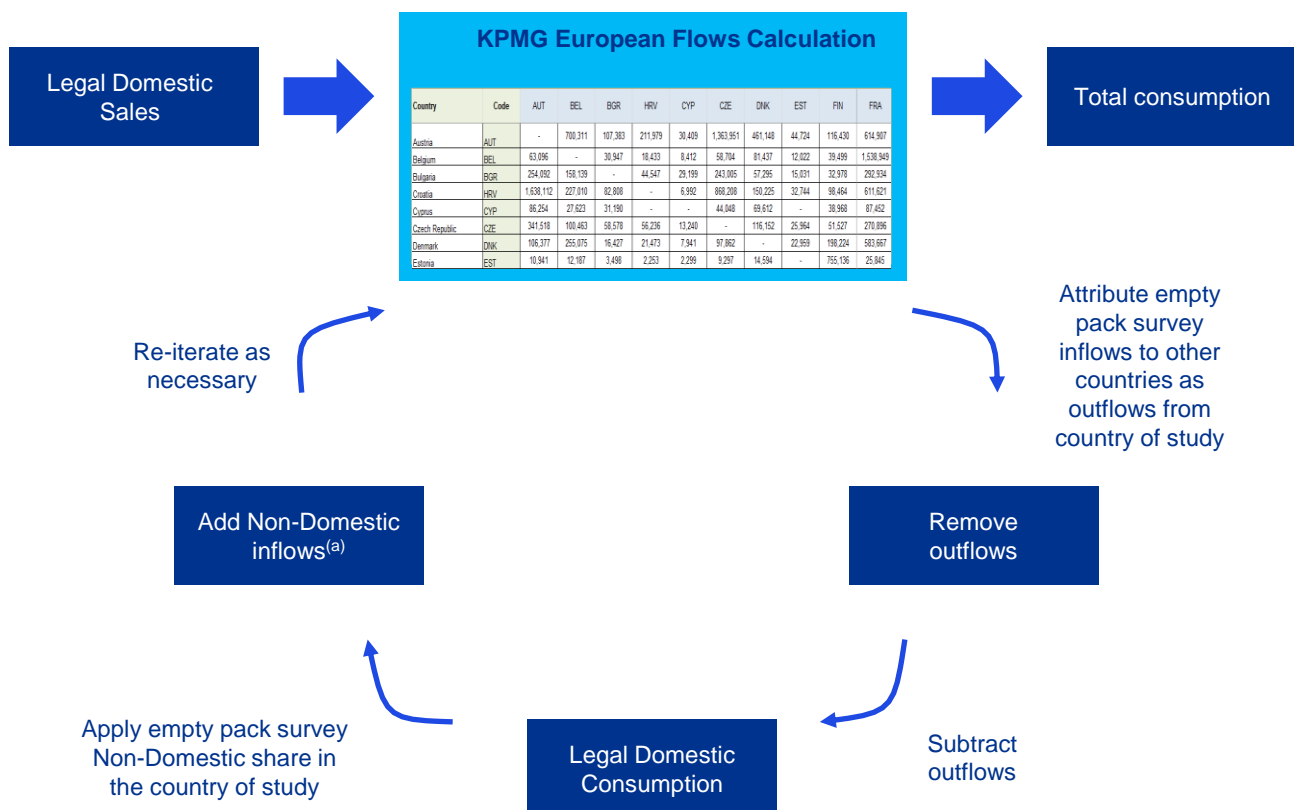
Counterfeit and contraband is allocated into three constituent parts: Counterfeit, Illicit Whites and Other C&C



Note: (a) Cigarette packs of brands that are not trademark owned by participant manufacturers are not analysed and are all considered to be genuine

KPMG European Flows Calculation

Primary information sources and tools – European Flows Calculation



The KPMG European Flows Calculation is a dynamic, iterative approach that is principally based on LDS and empty pack/ pack swap survey results

- LDS volumes are the starting point of the calculation from which outflows of legal sales to other countries are then subtracted to estimate Legal Domestic Consumption in a market
- Non-Domestic inflows from other countries are then added back in to give an estimate for the total consumption within a market
- The calculation is then re-iterated as necessary reflecting the relationship of inflows and outflows between all 27 EU countries, the UK, Norway, Switzerland, Ukraine, Moldova, Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Kosovo and Serbia
- Empty pack survey results provide an estimate of the share of Non-Domestic packs by country of origin in all markets
 - In the 27 EU markets, the UK, Norway, Switzerland, Albania, Bosnia & Herzegovina, Montenegro, North Macedonia, Kosovo and Serbia, empty pack survey results provide a consistent source of Non-Domestic packs by country of origin from which we can estimate total product outflow from each market to the other 37 markets
- Pack swap surveys in Moldova provide an estimate of legal and illicit inflows into the country at a summary level. Breakdown of these figures by country of origin is not available
- Pack swap surveys in Ukraine provide an estimate of illicit consumption in the country. Information on the origins of packs collected is not available and, therefore, ND(L) inflows cannot be estimated^(a)
- For Albania, Bosnia & Herzegovina, Montenegro, North Macedonia, Kosovo and Serbia, empty pack surveys were not conducted for some of the historical years. These have been marked as 'n/a' in representation of results in the country profiles

Note: (a) The methodology to identify the ND(L) and C&C components of Non-Domestic flows is explained in the ND(L) methodology section

Legal Domestic Sales

LDS data is sourced from Nielsen and other independent agencies⁽¹⁾

- Since the beginning of this annual study in 2006, LDS estimates for all brands have been sourced from In Market Sales (IMS) data compiled by Nielsen, and other independent sources

Where appropriate, local state estimates of LDS have been used instead of the above approach

- In certain markets, publicly available estimates of legal manufactured cigarette sales are widely used by manufacturers, industry participants, government bodies and non-governmental organisations.
- In these instances, we have deemed it more appropriate to incorporate these recognised estimates of LDS in the KPMG European Flows Calculation. For 2024, this is the case with:
 - Latvia: LDS figure reported by the State Revenue Service
 - Bulgaria: LDS figure reported by the Bulgarian Customs Authority

Source: (1) LDS data provided by Nielsen and other independent agencies. Refer to appendix section for a list of sources

Empty pack survey methodology

<p>Overview</p>	<p>An empty pack survey is a research system of collecting discarded empty cigarette packs, the results of which are used to estimate the share of domestic (duty paid), Non-Domestic and Counterfeit packs in each of the markets</p> <ul style="list-style-type: none"> • Empty pack surveys are conducted by independent market research agencies (e.g. Nielsen or Ipsos) in each of the countries sampled. The surveys are commissioned by the participating manufacturers and the sampling plan is designed by the agencies in conjunction with the manufacturers to help make the sampling plan statistically representative of consumption in the country for the whole year studied. • Results are based on a large sample of packs collected in various population centres throughout the countries, although the exact collection plan differs by country. Accuracy and credibility of results is driven by sound design of the sampling plan • Results are not subject to respondent behaviour and are therefore less prone to sampling errors than many other alternative methodologies • Results reflect actual overall Non-Domestic share and provide a good snapshot of brands consumed
<p>Process</p>	<p>Empty pack surveys rely purely on physical evidence, avoiding the potential for consumer bias in interview-based methods</p> <ul style="list-style-type: none"> • The independent market research agencies randomly collect empty packs of any brand and market variant from streets and easy access bins • Homes and workplaces are not visited, and the collection route specifically excludes sports stadia, shopping malls and stations, or any other locations where Non-Domestic incidence is likely to be higher as a result of a skewed population or demographic visiting these areas • Once packs are collected, they are sorted by manufacturer and brand and the number of packs with domestic versus Non-Domestic tax stamps counted to estimate the proportion of packs that did not originate from that jurisdiction (including Duty Free variants) <ul style="list-style-type: none"> - In cases where tax stamps are not shown on a packet, health warning and packaging characteristics are used to determine the source market and where no markings are found they are recorded as unspecified • For brands belonging to the major manufacturers, packs are sent to the manufacturers for analysis to determine which are genuine and which are Counterfeit. Only the manufacturers can determine this, based on ink, paper and other characteristics of the packaging • KPMG used the results of the empty pack surveys to extrapolate overall consumption in the market using LDS and the percentage of Non-Domestic cigarettes in the market as found through empty pack surveys • The process is repeated across all countries of study using an approach which iterates the level of Non-Domestic cigarettes until all inflows and outflows are equal
<p>Coverage</p>	<p>The total number of packs collected in each market is not solely based on population but is determined by a number of factors such as the size of the market, the likelihood of high Non-Domestic incidence and the manufacturers’ share of the legal market. However, the locations where packs are collected ‘in market’ are based on city and regional populations to seek to ensure the sample is nationally representative</p> <ul style="list-style-type: none"> • Small surveys (300-4,999 packs): Albania, Bosnia & Herzegovina, Croatia, Cyprus, Kosovo, Latvia, Luxembourg, North Macedonia, Malta, Moldova, Montenegro, Portugal, Serbia and Slovenia • Medium surveys (5,000-9,999 packs): Austria, Belgium, Estonia, Finland, Ireland, Lithuania, Norway, Slovakia and Switzerland • Large surveys (10,000 packs or more collected): Bulgaria, Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Netherlands, Poland, Romania, Spain, Sweden and the UK

Empty pack survey methodology (cont.)

Estimate of Non-Domestic incidence on a stick basis since 2012	
Overview	<p>Prior to 2012, the KPMG European Flows Calculation assumed that all packs collected were the same size (20 cigarettes). In 2012 the approach was updated to take into account different pack sizes, and this approach has been continued since then</p> <ul style="list-style-type: none"> This update to the approach was made to help give a more accurate result for the volume flows between European countries, as pack sizes vary on a country-by-country basis
Process	<p>Empty pack survey results provide the number of cigarettes in each packet</p> <ul style="list-style-type: none"> It is therefore possible to calculate the total number of sticks accounted for by the pack collection despite the different size packs, hence improving the overall accuracy of volume estimations
Impact	<p>The effect of this change on Non-Domestic incidence is dependent upon whether the typical domestic pack size was greater or less than the average pack size of 20 on a country-by-country basis</p> <ul style="list-style-type: none"> In countries where the average domestic pack size was less than 20 cigarettes (for example, historically most LDS in the UK and Italy were of 10 or 20 cigarette packs, giving an average domestic pack size of less than 20 cigarettes, and in Denmark domestic cigarettes were sold in packs of 19), then the conversion to a sticks basis is likely to decrease the proportion of domestic cigarettes in the empty pack survey sample, giving a higher Non-Domestic incidence than estimating on a pack basis In countries where the average domestic pack size was greater than 20 cigarettes (for example in Luxembourg domestic packs typically contain 20, 25 or 30 cigarettes), then the conversion to a sticks basis was likely to increase the proportion of domestic cigarettes in the empty pack survey sample, giving a lower Non-Domestic incidence than estimating on a pack basis

Empty pack survey methodology



The empty pack survey is conducted in a consistent way for each country. It follows a four-step process:

1. Population centre selection

- The population centres chosen are representative of the country of study. Each population centre is divided into five sectors (north, south, east, west and centre). Each sector is subdivided into neighbourhoods of the same size (250-meter radius)

2. Pack collection

- Each neighbourhood is assigned a number of discarded packs for collection based on the size of the overall population centre in comparison with the national population. For example, in France 126 cities are sampled in each wave of 11,500 packs. Of all packs collected, 5,040 are collected in Paris, which represents over 11% of the packs collected. The neighbourhoods sampled include residential, commercial and industrial areas
- A minimum number of packs are collected from each neighbourhood. Each neighbourhood has a specific starting point and a fixed route. The collectors accumulate as many empty packs as possible within each neighbourhood regardless of the quota requested in the sampling plan. Packs are collected from any manufacturer regardless of whether they participate in the survey. Collectors revisit the neighbourhood as many times as necessary in order to achieve the required quotas
- The training of collectors includes an explanation of the methodology and running of pilots prior to the collection. Each team of collectors is supervised by a team leader
- An additional 5% extra packs are collected in case there are issues with the existing sample

3. Pack processing

- The empty packs are placed into bags and stored at a safe collection point. Packs are discarded if they do not meet the survey quality requirements (e.g. torn, unreadable, rotten). Each survey qualified pack is cleaned and placed in a transparent nylon bag with a zipper that carries a unique barcode label indicating the serial number attributed to the pack (corresponding to the data sheet). The details are then entered into the survey "Data Sheet". The packs are delivered to the participating manufacturers in the given wave of empty pack survey in a way that enables easy processing and identification

4. Pack analysis

- The participating manufacturers check the packets belonging to their brands to identify Counterfeit and inform the agency that collates and updates the data sheets
- These data sheets are finally provided to KPMG by the manufacturers and analysed to estimate the Non-Domestic incidence and contraband and Counterfeit volumes

Source: (1) Third party market research agencies

Pack swap methodology

<p>Overview</p>	<p>A pack swap is a research methodology based on collecting cigarette packs from respondents door to door. These packs are then assessed to estimate the share of domestic (duty paid), Non-Domestic and Counterfeit packs</p> <ul style="list-style-type: none"> • Pack swaps are conducted by independent market research agencies in Moldova (Nielsen & Ipsos) and Ukraine (Kantar). The surveys are commissioned by the participating manufacturers (PMI, JTI, IB and BAT) and the survey plan is designed by the agencies in conjunction with the manufacturers to help make the sampling plan nationally representative of consumption in the country for the whole year studied • The outputs are based on the analysis of packs collected in various population centres throughout the countries • Results summarise the share of non-duty paid cigarettes consumed in the markets <ul style="list-style-type: none"> - In Moldova, the packs are assessed by the research agency and classified into Duty-Free, Illicit Whites, Non-Domestic Duty Paid (NDDP) and Counterfeit - In Ukraine, the packs are assessed by the research agency and classified into Contraband, Illegal products labelled 'For Duty Free Sale' and Counterfeit
<p>Process</p>	<ul style="list-style-type: none"> • Pack swap surveys are conducted across both rural and urban regions. Urban regions are subdivided into smaller sub-regions based on sub-regional population with a predetermined target for the number of packs to be collected in each region and sub-region to give a nationally representative picture of consumption in the country • For Ukraine in 2022, 2023 and 2024, research did not include the following areas impacted by the ongoing war: Luhansk, Donetsk, Kherson, Mykolaiv (except for the city of Mykolaiv), 70% of Kharkiv, Zaporizhzhia (except for the city of Zaporizhzhia) • A random route 'door to door' approach is used to identify respondents in each region • The independent market research agencies conduct short face to face interviews where respondents are offered to swap their current cigarette pack in exchange for an incentive, typically a voucher. If respondents decline the interview or to swap their pack, the interview is terminated • An interviewer records the details of the swapped pack after interview completion • Once the swapped packs are collected, the research agency sorts them by manufacturer and brand, and the number of packs with domestic versus Non-Domestic tax stamps is counted to determine the proportion of packs that did not originate from that jurisdiction (including Duty Free variants) • The health warning labelling, excise stamp details and pack descriptors are then evaluated by the research agency to determine the source market • For brands belonging to the participating manufacturers (BAT, IB, JTI, PMI), packs are sent to the manufacturers for analysis to determine which are genuine and which are Counterfeit • KPMG used the results of the pack swaps to extrapolate overall consumption in the market using LDS and the percentage of Non-Domestic cigarettes in the market as found through the pack swaps • The forensic analysis in Ukraine is conducted in a similar manner as the empty pack surveys wherein the participating companies analyse collected samples of their brands while packs of non-participating companies are sent to the Institute of Forensic Expertise – a government agency <ul style="list-style-type: none"> - The primary focus during the analysis is to establish the authenticity of fiscal stamps - Based on this analysis, Kantar also reports packs that have labelling not compliant with local legislation including no graphical health warning, text not in the local language, no fiscal stamps

Pack swap methodology

Process	<ul style="list-style-type: none"> Additionally, during the pack swap study, respondents are asked questions related to the point of purchase to check if they have been purchased from a legitimate Duty-Free channel or from street vendors, open markets, shops or kiosks
Coverage	<ul style="list-style-type: none"> The total number of packs collected in each market is not solely based on the population but is determined by a number of factors such as the size of the market, the likelihood of high Non-Domestic incidence and the manufacturers' share of the legal market. However, the locations where packs are collected 'in market' are based on regional, city and city sub-region populations to seek to ensure the sample is nationally representative

Empty pack survey adjustment overview

Empty pack survey adjustments

Where necessary, we make adjustments to the empty pack survey results in our analysis in the form of reweighting different packs or quarterly surveys, based on additional evidence available. Adjustments are made to correct for issues identified in the empty pack survey. The main issues identified this year are covered below:

Empty pack survey	Explanation	Method	Countries where adjustment made
1. Brand oversampling	Domestic packs collected by brand in the empty pack survey deviate significantly from the domestic brand shares	<ul style="list-style-type: none"> Some brands may be oversampled which we can check through a comparison with the LDS KPMG assumes that an oversampling of brands domestically will result in an oversampling of brands Non-Domestically. As a result, the weights of Non-Domestic packs are adjusted using the assumption that Non-Domestic packs are oversampled to the same extent as domestic packs 	France (Marlboro)
2. Adjustments to specific country flows	The flows from some countries appear to have been over or under-sampled based on the timing of the survey, areas sampled, or sales from other countries	<ul style="list-style-type: none"> Adjustments were made when the empty pack surveys over or under sampled some flows as highlighted by other sources of data Some examples include: <ul style="list-style-type: none"> Border sales data from Spain, Belgium and Luxembourg indicated that inflows from these countries were being under sampled in the French empty pack survey. Hence, the inflows from these countries were adjusted A detailed list of empty pack survey adjustments and their impact can be found in the following pages 	Belgium, France

Empty pack survey adjustments

Empty pack survey – adjustments made in KPMG analysis⁽¹⁾

Country	Sample dates	Packs collected	Number of cities	Adjustment	Impact
Albania	Q4: Nov	2,800	15	None	n/a
Austria	Q4: Oct-Nov	6,500	24	None	n/a
Belgium	Q2: Apr-May Q4: Oct-Nov	5,600	18	Country flows adjustments: <ul style="list-style-type: none"> Flows of the brand Davidoff from Bulgaria to other European markets were in excess of sales of the brand in the origin market (after accounting for domestic consumption in the origin market), indicating this brand was potentially over-sampled in some empty pack surveys, including in Belgium. Therefore, we limited outflows of this brand from Bulgaria to equal the sales of the brand in Bulgaria less domestic consumption of the brand (per LDS and empty pack surveys) Analysis of sales at bordering regions with Luxembourg⁽²⁾ indicated that Luxembourg packs were being under sampled in the Belgian empty pack survey. Therefore, inflows from Luxembourg were adjusted using the rate of change of border sales in 2023 and 2024 	Inflows from Bulgaria decreased from 1.36bn to 0.77bn Inflows from Luxembourg increased from 0.49bn to 0.74bn
Bosnia and Herzegovina	Q2: May	1,300	7	None	n/a
Bulgaria	Q2: May Q4: Oct-Nov	11,600	20	None	n/a
Croatia	Q4: Oct	3,000	8	None	n/a
Cyprus	Q4: Oct	1,000	4	None	n/a
Czech Republic	Q2: Apr-May Q3/Q4: Sep-Oct	21,004	30	None	n/a
Denmark	Q2: Apr Q4: Oct	10,900	9	None	n/a
Estonia	Q2: May Q3: Sep	6,600	14	None	n/a

Source: (1) Empty pack surveys (2) GfK : Whs Sell-out cig sticks

Empty pack survey adjustments (cont.)

Empty pack survey – adjustments made in KPMG analysis⁽¹⁾

Country	Sample dates	Packs collected	Number of cities	Adjustment	Impact
Finland	Q2: Apr	5,000	10	None	n/a
France	Q1: Feb-Mar Q2: May-Jun Q3: Sep Q4: Nov-Dec	46,000	126	<p>Country flows adjustments:</p> <p>Inflows from Spain, Belgium and Luxembourg were adjusted using publicly available data sources for local border populations, car ownership, average daily consumption, smoking incidence, adult population, etc. (from sources such as Eurobarometer, WHO, European Environment Agency, France National Institute of Statistics and Economic Studies, etc.). This was then corroborated with manufacturer border sales data (market estimates using sales data)</p> <ul style="list-style-type: none"> Inflows were adjusted to reflect tourism trends and border sales, which indicate higher flows into France <p>Brand adjustment:</p> <ul style="list-style-type: none"> A comparison of Marlboro LDS with domestic packs collected in the empty pack survey indicated that the brand was oversampled in the empty pack survey. Therefore, the volume of Non-Domestic packs was reduced, using the assumption that Non-Domestic packs were oversampled to the same extent as domestic packs 	<ul style="list-style-type: none"> Inflows from Spain increased from 0.75bn to 3.36bn Inflows from Belgium increased from 0.22bn to 0.40bn Inflows from Luxembourg increased from 0.42bn to 0.66bn

Source: (1) Empty pack surveys

Empty pack survey adjustments (cont.)

Empty pack survey – adjustments made in KPMG analysis⁽¹⁾

Country	Sample dates	Packs collected	Number of cities	Adjustment	Impact
Germany	Q1: Feb Q2: May Q3: Aug Q4: Nov	198,954	56	None	n/a
Greece	Q2: Apr-May Q3: Sep	12,000	20	None	n/a
Hungary	Q1: Feb-Apr Q3: Aug-Sep	23,200	53	<ul style="list-style-type: none"> In 2024, the empty pack survey expanded to include 13 cities (3,200 packs) previously not covered by the survey 	2024 Non-Domestic incidence increased to 16.1% through inclusion of the 13 new cities vs 15.8% on a like-for-like basis
Ireland	Q2: Apr-May	5,000	22	None	n/a
Italy	Q1: Feb-Mar Q2: May-Jun Q3: Jul-Aug Q4: Oct-Nov	40,000	85	None	n/a
Kosovo	Q4: Nov-Dec	1,800	7		
Latvia	Q2: May	4,900	25	None	n/a
Lithuania	Q2: Mar	5,800	20	None	n/a
Luxembourg	Q2: May Q4: Oct-Nov	400	2	None	n/a
Malta	Q4: Oct-Nov	1,000	8	None	n/a
Moldova	Q4: Sep-Dec	1,578	1	<ul style="list-style-type: none"> 2021, 2022, 2023 and 2024 pack swap surveys exclude the Transnistria region. To ensure consistency across all years, pack swap survey results from the Transnistria region in 2020 have been excluded from our analysis 	n/a
Montenegro	Q4: Nov	1,000	4	None	n/a

Source: (1) Empty pack surveys / pack swap surveys

Empty pack survey adjustments (cont.)

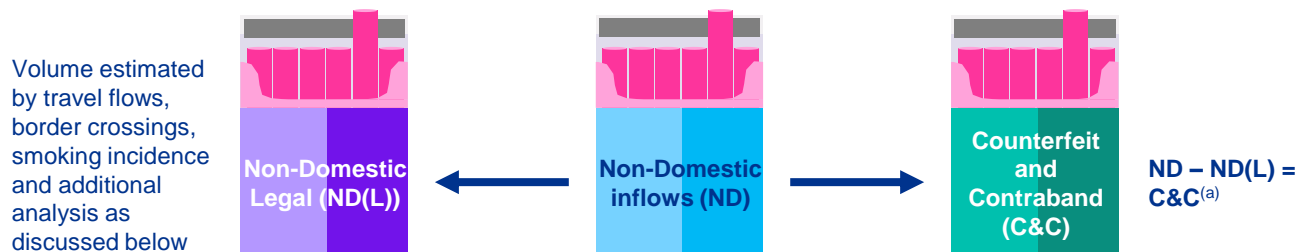
Empty pack survey – adjustments made in KPMG analysis⁽¹⁾

Country	Sample dates	Packs collected	Number of cities	Adjustment	Impact
Netherlands	Q2: May-Jun Q4: Oct	14,000	50	None	n/a
North Macedonia	Q4: Nov	1,200	10	None	n/a
Norway	Q2: May-Jun	5,000	8	None	n/a
Poland	Q2: Apr-May Q3: Jul-Aug Q4: Oct-Nov	51,000	70	<ul style="list-style-type: none"> In 2024, the empty pack survey expanded to include 30 cities (13,500 packs) previously not covered by the survey 	2024 Non-Domestic incidence was unchanged through inclusion of the 30 new cities vs a like-for-like basis
Portugal	Q2: Apr	3,000	10	None	n/a
Romania	Q1: Jan-Apr Q2: May-Jun Q3: Jul-Sep Q4: Nov-Dec	12,058	41	Brand adjustment: <ul style="list-style-type: none"> Flows of the brand Ritm bearing Moldova labelling were more than the legal domestic sales of the brand in Moldova (after accounting for domestic consumption in the origin market). Moldovan labelled Ritm packs were collected across a broad geographic dispersion in Romania, which did not indicate regional over-sampling in the Romanian empty pack survey, and the trademark owner confirmed the packs were not Counterfeit. As a result, we have labelled the origin of this brand as 'Uncertain' in our results 	Outflows from Moldova reduced by 0.45bn to 0.05bn No impact to Romanian Non-domestic consumption volumes and/or C&C
Serbia	Q1: Feb-Mar	2,700	15		
Slovakia	Q2: Jun	5,000	25	None	n/a
Slovenia	Q4: Oct-Nov	3,000	8	None	n/a
Spain	Q2: Apr-May Q4: Oct-Nov	30,000	58	None	n/a
Sweden	Q2: Apr-May	10,000	29	None	n/a
Switzerland	Q3: Sep	5,600	20	None	n/a
UK	Q2: Apr-May	12,700	105	None	n/a

Source: (1) Empty pack surveys / pack swap surveys

Non-Domestic Legal analysis

Primary information sources and tools – Non-Domestic Legal analysis and assumptions



ND(L) was estimated by analysis of travel trends, border crossings and cigarette pricing data. C&C volumes formed the remaining Non-Domestic balance after subtracting ND(L) from total Non-Domestic

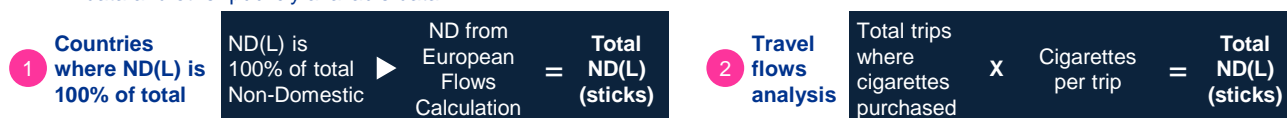
ND(L) was estimated using two methods:

1. Countries where ND(L) is 100% of total ND

- Non-Domestic cigarettes in the empty pack surveys from higher priced inbound tourist/visitor countries were categorised as legal, as long as these flows were not identified as Counterfeit or Illicit Whites brands, as there is no price incentive to smuggle

2. Travel flows analysis

- Business and tourism travel data from the World Tourism Organization (UNWTO), Euromonitor, national statistics offices and other publicly available sources were used to estimate the number of trips made by travellers over the age of 18
- This total number of trips was then multiplied by the average cigarette smoking prevalence of the country of origin to estimate the total number of trips by cigarette smokers. Smoking prevalence data for 2024 was provided by WHO and Euromonitor
- We assumed that the number of packs purchased per trip is equal to the Duty-Free allowance, or the indicative legal limit for cross-border travel
- The empty pack survey and European Flows Calculation form the basis of all Non-Domestic analysis. As a result, where the ND(L) calculation was greater than 100% of the flow calculated by the European Flows Calculation, it is capped at the volume generated by the European Flows Calculation
- In certain cases, travel data may not capture the extent of cross-border travel where such travel does not entail an overnight stay. Where this is a material source of cross-border flows, it is estimated based on regional border populations, retail sales data and other publicly available data



Example using illustrative data

1 Countries where ND(L) is 100% of total				
Country of Study	Country of Origin	ND (bn sticks) ⁽¹⁾	ND(L) (bn sticks)	% of ND
Norway	Sweden	0.28	0.28	100%

Travelers flow analysis example

2 Travel Flow Analysis											
Country of study	Country of origin	ND (bn sticks) ⁽¹⁾	Category	Number of journeys (m) ⁽²⁾⁽³⁾	% of Population 18+ ⁽³⁾⁽⁴⁾	Smoking Prevalence ⁽³⁾⁽⁵⁾	Trips where cigarettes purchased (m)	Cigarettes per trip ^(b)	ND(L) (bn sticks)	Total ND(L) (bn sticks)	% of ND
Austria	Slovenia	0.18	Returners	0.41	83%	22%	0.075	40	0.06	0.16	88%
			Incomers	0.23	82%	18%	0.033	2	0.00		

Notes (a) KPMG estimates the split between C&C and ND(L) by calculating the ND(L) volume and subtracting from the total inflows

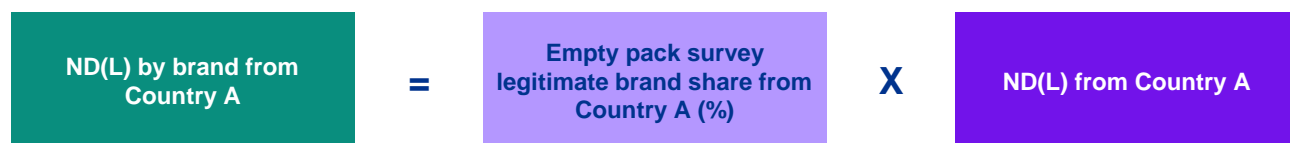
(b) Unless stated otherwise it is assumed that returning travellers purchase the indicative maximum allowed

Sources: (1) KPMG European Flows Calculation (2) UN WTO Tourism Factbook (3) Euromonitor (4) UNICEF (5) WHO

Non-Domestic Legal analysis (cont.)

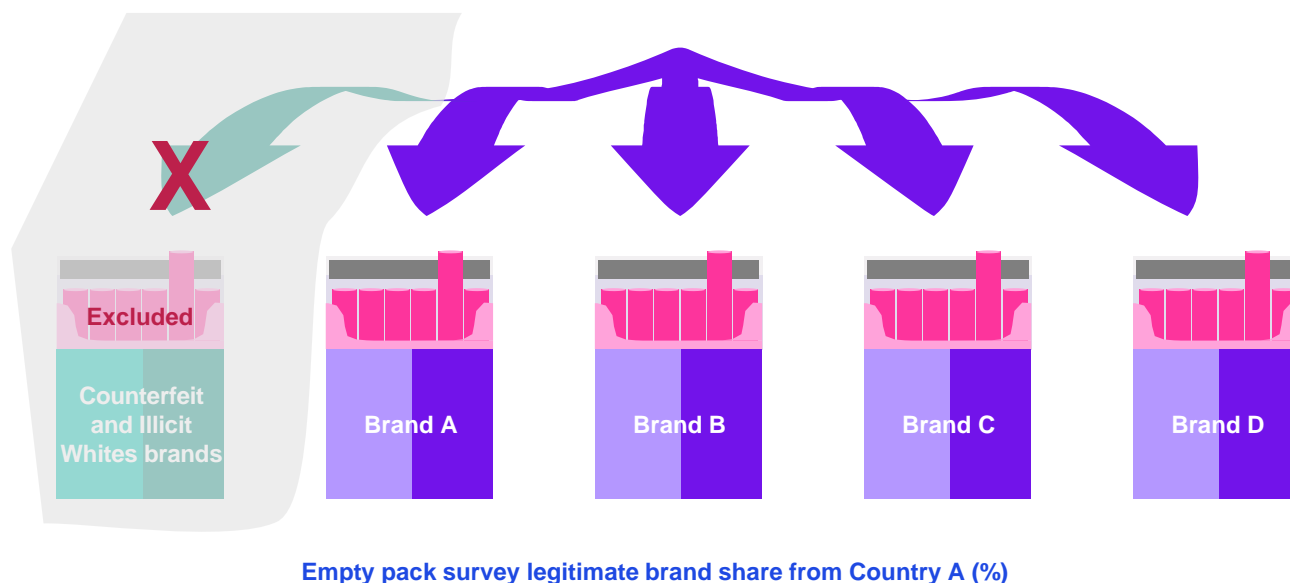
Non-Domestic Legal brand split analysis and assumptions

Illustrative example of ND(L) by brand approach



Illustrative example of Brand Share calculation

Non-Domestic Brands from Country A (as per empty pack survey)



Having estimated the volume of ND(L) inflows on a country basis as detailed on the previous page, the brand share was estimated by analysis of the brands that were found in the empty pack survey from that country

The ND(L) inflow from each source country was split into brands by using the following approach

- Illicit Whites brands and Counterfeit packs were excluded from being potentially classified as ND(L) as these brands are always C&C, leaving only brands that could have potentially legal inflow volumes
- For the remaining potentially legal brands, the ND(L) percentage share was estimated to be the same as the Non-Domestic share of these brands
- ND(L) volume by brand was estimated as the product of the total ND(L) inflow and the brand percentage share

Non-Domestic Legal adjustments

Non-Domestic Legal adjustments	
Country	Adjustment
Austria	<p>ND(L) from Czech Republic</p> <p>Assumed to be predominately legal due to the countries' proximity and high non-tourism travel volumes</p> <p>ND(L) from Slovenia</p> <p>Assumed to be predominately legal due to high non-tourism travel volumes (e.g. cross border shoppers and workers)</p> <p>ND(L) from Slovakia</p> <p>ND(L) in Eastern Border areas near Slovakia are assumed to be predominately legal given large price differentials and the high incidence of cross-border shopping from Austria</p>
Belgium	<p>ND(L) from Luxembourg</p> <p>Assumed to be predominately legal due to high non-tourism travel volumes</p>
Bulgaria	None
Croatia	None
Cyprus	None
Czech Republic	<p>ND(L) from Poland</p> <p>Border sales data in Poland was used to estimate the share of the inflow from Poland that was legal in 2023. This data was not available in 2024. Given that Non-Domestic inflows from Poland remained relatively stable in 2024, and that these Polish packs were found in the same proportions in the same regions of the Czech Republic in 2024, the legal share of Polish inflows in 2024 has been kept consistent with 2023</p>
Denmark	None
Estonia	None
Finland	None
France	<p>Change in intra-EU27 cigarette cross-border legal limit</p> <p>French authorities changed the legally allowed pack import limit from 10 packs to 40 packs for all EU countries with effect from 1st April 2024⁽¹⁾. We have included the pro-rata impact of the increase in our estimates</p> <p>ND(L) from Spain, Belgium and Luxembourg</p> <p>In addition to tourist ND(L), ND(L) flows into France were increased to account for legal flows from border shoppers (using data points on local border populations, car ownership, average daily consumption, smoking incidence, adult population, etc. to estimate the volume of cigarettes that could be bought legally by French smokers near the border). These data points were supplemented with border sales data to validate the ND(L) impact of the change in pack limit in 2024. This border sales data suggests that border shopping is common in these bordering and cheaper markets, and border shopper crossings are not captured in tourist data</p> <p>ND(L) from Algeria</p> <p>ND(L) in France from Algeria was estimated using traveller volumes from the WTO and Bulletin Statistics, and traveller research carried out at airports in Algeria by Kantar TNS ('Tobacco brought back from Algeria to France by travellers of direct flights', May 2018) that indicated 33% of travellers carry tobacco products from Algeria to France. Our estimates on the number of travellers who purchase cigarettes was adjusted to take this figure into account. The indicative legal limit remains 200 cigarettes</p>

Source: (1) douane.gouv.fr

Non-Domestic Legal adjustments (cont.)

Non-Domestic Legal adjustments

Country	Adjustment
Germany	<p>ND(L) from Czech Republic</p> <p>Czech Republic ND(L) was estimated to be 1.55bn in this Report, and was calculated by supplementing the WTO traveller numbers with border crossing data from the Czech Statistics Office. This is because WTO traveller data does not account for the high number of non-tourism related border crossings between Germany and Czech Republic related to workers and shoppers.</p> <p>The updated number of travellers was multiplied by the adult population %, smoking prevalence % and an assumed purchase volume of 420 cigarettes per person (cigarette number based on previous consumer research provided by PMI pre 2016)</p> <p>ND(L) from Luxembourg</p> <p>Assumed to be predominately legal due to the high number of border crossings</p>
Greece	None
Hungary	None
Ireland	None
Italy	None
Latvia	None
Lithuania	None
Luxembourg	None
Malta	None
Moldova	None
Netherlands	None
Norway	<p>ND(L) from Sweden</p> <p>Assumed to be predominately legal due to the high number of border crossings for shopping. Cigarettes are a popular border shopping purchase as prices in Sweden are almost half that in Norway</p> <p>ND(L) from World Wide Duty Free</p> <p>Assumed to be predominately legal. As Norway is a non-EU27 market, Norwegians can purchase Duty Free when travelling to the EU27 and abroad</p>

Non-Domestic Legal adjustments (cont.)

Non-Domestic Legal adjustments	
Country	Adjustment
Poland	None
Portugal	None
Romania	None
Slovakia	None
Slovenia	None
Spain	<p>ND(L) from Andorra</p> <p>ND(L) was increased to 0.22bn (from an original 0.00bn) in 2024. This is to reflect additional border crossings for work and shopping not captured in tourism data sources (additional border crossing data sourced from the 2021 Nielsen study ‘Volume assessment among travellers in Andorra 2021’). This 2021 data is extrapolated to 2024, using the 2021-24 CAGR of inbound arrivals from Andorra to Spain sourced from Euromonitor. The Andorra flow is considered predominately legal given the large number of tourist and cross border workers and shoppers</p> <p>ND(L) from Canary Islands</p> <p>ND(L) has been estimated at 0.24bn using total tourist border crossings sourced from government data as tourist data between Spain and the Canary Islands is not recorded in the WTO travel database. This flow is considered predominately legal given high tourism volumes</p> <p>ND(L) from Gibraltar</p> <p>ND(L) has been adjusted to 0.18bn (from an original 0.00bn). This is to reflect government data on total border crossings in 2024 of 8.42m which does not get captured in WTO travel data. This is then split between tourists and workers (sourced from HM Government of Gibraltar: Frontier workers by nationality, 2024 (Employment department) and Land frontier visitor arrivals, 2024 (Tourism department)). The relevant smoking prevalence for workers and tourists, adult population and purchase assumptions are then used to estimate total ND(L)</p>
Sweden	None

Non-Domestic Legal adjustments (cont.)

Non-Domestic Legal adjustments	
Country	Adjustment
Switzerland	ND(L) from Germany Assumed to be predominately legal given its proximity and large number of tourists and cross border workers
	ND(L) from World Wide Duty Free Assumed to be predominately legal. As Switzerland is a non-EU27 market, Swiss can purchase Duty Free when travelling to the EU27 and abroad
UK	ND(L) from Poland The smoking prevalence of Polish visitors to the UK was increased from 21.3% to 22.0% to correspond to the proportions of male to female visitors (Polish men have a higher smoking prevalence, and there were more male than female visitors from Poland as sourced from the Office for National Statistics' 'Visits to and spending in UK: by sex, purpose of visit and country of residence 2022' dataset, which was extrapolated for 2024 using 2022-24 CAGR of inbound arrivals from Poland to UK sourced from Euromonitor) The smoking prevalence of UK visitors returning from Poland was also updated to 18.6% (the Polish smoking prevalence) to account for the fact that a large majority of these UK visitors are Polish, as sourced from the Office for National Statistics' 'Number of visits to specified countries: by main country visited and nationality 2022' which was extrapolated for 2024 using 2022-24 CAGR of outbound departures from UK to Poland sourced from Euromonitor Packs brought to the UK by Polish visitors was increased from 2 to 37 (based on previous consumer research provided by PMI pre 2016). This increased ND(L) from Poland from 0.07bn to 0.32bn
	ND(L) from Romania Packs brought to the UK by Romanian visitors were increased from 2 to 40 (based on previous consumer research provided by PMI pre 2016). Given the large price differentials between the UK and Romania, and the Romanian population in the UK, these travellers may be resident or working in the UK with the price incentive to purchase cigarettes up to the indicative legal limit. This increased pack number was combined with traveller statistics and smoking incidence data to estimate ND(L) from Romania per our standard methodology. This adjustment increased ND(L) from 0.01bn to 0.15bn

Non-Domestic Legal analysis

Albania									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Greece	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Italy	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
North Macedonia	Outbound	0.03mn	80%	19%	0.01m	10	200	0.00bn	0.01bn
	Inbound	0.99mn	80%	27%	0.22m	2	40	0.01bn	
Kosovo	Outbound	0.10mn	80%	19%	0.02m	10	200	0.00bn	0.00bn
	Inbound	0.0mn	74%	29%	0.00m	2	40	0.00bn	
Others									0.06bn
Total									0.09bn

Austria									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Slovenia	Outbound	Figure based on tourism statistics and border region consumption analysis							0.16bn
	Inbound								
Croatia	Outbound	Figure based on tourism statistics and border region consumption analysis							0.11bn
	Inbound								
Germany	Outbound	Figure based on tourism statistics and border region consumption analysis							0.07bn
	Inbound								
Hungary	Outbound	Figure based on tourism statistics and border region consumption analysis							0.07bn
	Inbound								
Others									0.48bn
Total									0.90bn

Belgium									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Luxembourg	Outbound	Flows considered predominantly legal							0.74bn
	Inbound								
Poland	Outbound	0.29mn	80%	23%	0.05mn	40	800	0.04bn	0.04bn
	Inbound	0.14mn	82%	21%	0.02mn	2	40	0.00bn	
Germany	Outbound	Flows considered predominantly legal							0.03bn
	Inbound								
Turkey	Outbound	0.78mn	80%	23%	0.14mn	10	200	0.03bn	0.03bn
	Inbound	0.06mn	74%	29%	0.01mn	2	40	0.00bn	
Others									0.22bn
Total									1.06bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Bosnia and Herzegovina									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Serbia	Outbound	0.20mn	82%	28%	0.05mn	10	200	0.01bn	0.01bn
	Inbound	0.21mn	83%	36%	0.06mn	2	40	0.00bn	
Turkey	Outbound	0.28mn	82%	28%	0.06mn	10	200	0.01bn	0.01bn
	Inbound	0.09mn	74%	29%	0.02mn	2	40	0.00bn	
Croatia	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Germany	Outbound	0.00mn	82%	28%	0.00mn	10	200	0.00bn	0.00bn
	Inbound	0.06mn	83%	19%	0.01mn	2	40	0.00bn	
Others									0.01bn
Total									0.04bn

Bulgaria									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Serbia	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Turkey	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
North Macedonia	Outbound	0.04mn	83%	36%	0.01mn	10	200	0.00bn	0.01bn
	Inbound	0.58mn	80%	27%	0.13mn	2	40	0.01bn	
Romania	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Others									0.09bn
Total									0.12bn

Croatia									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Bosnia and Herzegovina	Outbound	0.20mn	83%	33%	0.05mn	10	200	0.01bn	0.02bn
	Inbound	0.49mn	82%	28%	0.11mn	2	40	0.00bn	
Germany	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Serbia	Outbound	0.12mn	83%	33%	0.03m	10	200	0.01bn	0.01bn
	Inbound	0.24mn	83%	36%	0.07m	2	40	0.00bn	
Italy	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Others									0.03bn
Total									0.07bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Cyprus									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per Trip	# of cigarettes	ND(L) volume	Total ND(L)
Non-government-controlled areas	Outbound	Figure based on tourism statistics and border region consumption analysis							0.07bn
	Inbound								
Greece	Outbound	Flows considered predominately legal							0.00bn
	Inbound								
Unspecified	Outbound	0.00mn	0%	0%	0.00m	0	0	0.00bn	0.00bn
	Inbound	0.00mn	0%	0%	0.00m	0	0	0.00bn	
Chad	Outbound	0.00mn	81%	29%	0.00m	2	40	0.00bn	0.00bn
	Inbound	0.00mn	47%	5%	0.00m	0	0	0.00bn	
Others									0.01bn
Total									0.09bn

Czech Republic									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Poland	Outbound	Figure based on tourism statistics and border region consumption analysis							0.83bn
	Inbound								
Germany	Outbound	Flows considered predominantly legal							0.04bn
	Inbound								
Slovakia	Outbound	Flows considered predominantly legal							0.03bn
	Inbound								
Bulgaria	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Others									0.21bn
Total									1.12bn

Denmark									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Sweden	Outbound	0.78mn	81%	13%	0.08m	40	800	0.07bn	0.07bn
	Inbound	1.40mn	79%	8%	0.09m	2	40	0.00bn	
Poland	Outbound	0.26m	81%	13%	0.03m	40	800	0.02bn	0.02bn
	Inbound	0.31m	82%	21%	0.05m	2	40	0.00bn	
Germany	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Turkey	Outbound	0.65mn	81%	13%	0.07m	10	200	0.01bn	0.01bn
	Inbound	0.08mn	74%	29%	0.02m	2	40	0.00bn	
Others									0.13bn
Total									0.26bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Estonia									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Latvia	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Lithuania	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Poland	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Turkey	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Others									0.03bn
Total									0.06bn

Finland									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Estonia	Outbound	0.76m	82%	14%	0.09m	40	800	0.07bn	0.07bn
	Inbound	0.12m	81%	23%	0.02m	2	40	0.00bn	
Sweden	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Spain	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Latvia	Outbound	0.12m	82%	14%	0.01m	40	800	0.01bn	0.01bn
	Inbound	0.03m	81%	27%	0.01m	2	40	0.00bn	
Others									0.10bn
Total									0.21bn

France									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Spain	Outbound	Figure based on tourism statistics and border region consumption analysis							2.25bn
	Inbound								
Algeria	Outbound	Figure based on tourism statistics and border region consumption analysis							0.38bn
	Inbound								
Italy	Outbound	Figure based on tourism statistics and border region consumption analysis							0.30bn
	Inbound								
Andorra	Outbound	4.00m	79%	31%	0.97m	15	300	0.29bn	0.29bn
	Inbound	0.00m	85%	30%	0.00m	2	40	0.00bn	
Others									2.69bn
Total									5.91bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Germany									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per Trip	# of cigarettes	ND(L) volume	Total ND(L)
Poland	Outbound	Flows considered predominantly legal							5.50bn
	Inbound								
Czech Republic	Outbound	Figure based on tourism statistics and border region consumption analysis							1.55bn
	Inbound								
Luxembourg	Outbound	Flows considered predominantly legal							0.75bn
	Inbound								
Austria	Outbound	Figure based on tourism statistics and border region consumption analysis							0.36bn
	Inbound								
Others									2.83bn
Total									10.99bn

Greece									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Cyprus	Outbound	Flows considered predominantly legal							0.06bn
	Inbound								
Bulgaria	Outbound	Figure based on tourism statistics and border region consumption analysis							0.02bn
	Inbound								
Italy	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Romania	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Others									0.18bn
Total									0.30bn

Hungary									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Slovakia	Outbound	Flows considered predominantly legal							0.03bn
	Inbound								
Romania	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Austria	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Italy	Outbound	Figure based on tourism statistics and border region consumption analysis							0.01bn
	Inbound								
Others									0.09bn
Total									0.17bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Ireland									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per Trip	# of cigarettes	ND(L) volume	Total ND(L)
Spain	Outbound	Figure based on tourism statistics and border region consumption analysis							0.14bn
	Inbound								
UK	Outbound	Flows considered predominantly legal							0.07bn
	Inbound								
Italy	Outbound	Flows considered predominantly legal							0.06bn
	Inbound								
Germany	Outbound	0.29m	77%	16%	0.04m	40	800	0.03bn	0.03bn
	Inbound	0.68m	83%	19%	0.11m	2	40	0.00bn	
Others									0.27bn
Total									0.57bn

Italy									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Egypt	Outbound	Flows considered predominantly legal							0.11bn
	Inbound								
Slovenia	Outbound	0.49m	85%	21%	0.09m	40	800	0.07bn	0.10bn
	Inbound	5.42m	82%	18%	0.79m	2	40	0.03bn	
Romania	Outbound	Flows considered predominantly legal							0.06bn
	Inbound								
Spain	Outbound	Figure based on tourism statistics and border region consumption analysis							0.06bn
	Inbound								
Others									0.73bn
Total									1.06bn

Kosovo									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Albania	Outbound	0.10m	74%	29%	0.02m	10	200	0.00bn	0.01bn
	Inbound	0.10m	80%	19%	0.02m	2	40	0.00bn	
Serbia	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Germany	Outbound	0.05m	74%	29%	0.01m	10	200	0.00bn	0.00bn
	Inbound	0.05m	83%	19%	0.01m	2	40	0.00bn	
Switzerland	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Others									0.01bn
Total									0.03bn

Note:

Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source:

(1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Latvia									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Poland	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Belarus	Outbound	0.24m	81%	27%	0.05m	2	40	0.00bn	0.00bn
	Inbound	0.17m	80%	24%	0.03m	2	40	0.00bn	
Russia	Outbound	0.06m	81%	27%	0.01m	2	40	0.00bn	0.00bn
	Inbound	0.14m	80%	27%	0.03m	2	40	0.00bn	
Lithuania	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Others									0.01bn
Total									0.02bn

Lithuania									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per Trip	# of cigarettes	ND(L) volume	Total ND(L)
Poland	Outbound	Flows considered predominantly legal							0.11bn
	Inbound								
Latvia	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Germany	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Belarus	Outbound	0.82m	83%	26%	0.18m	2	40	0.01bn	0.01bn
	Inbound	0.15m	80%	24%	0.03m	2	40	0.00bn	
Others									0.05bn
Total									0.18bn

Luxembourg									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Belgium	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
France	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Germany	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Italy	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Others									0.01bn
Total									0.03bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Malta									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Italy	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Poland	Outbound	0.01m	85%	22%	0.00m	40	800	0.00bn	0.00bn
	Inbound	0.20m	82%	21%	0.04m	2	40	0.00bn	
Greece	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Denmark	Outbound	0.01m	85%	22%	0.00m	40	800	0.00bn	0.00bn
	Inbound	0.05m	81%	13%	0.01m	2	40	0.00bn	
Others									0.01bn
Total									0.04bn

Moldova									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per Trip	# of cigarettes	ND(L) volume	Total ND(L)
NDDP	Outbound	Flows considered predominately legal							0.01bn
	Inbound								
Nepal	Outbound	0.00m	76%	26%	0.00m	10	200	0.00bn	0.00bn
	Inbound	0.00m	66%	15%	0.00m	2	40	0.00bn	
Turkey	Outbound	Flows considered predominately legal							0.00bn
	Inbound								
Malta	Outbound	0.00m	76%	26%	0.00m	10	200	0.00bn	0.00bn
	Inbound	0.00m	85%	22%	0.00m	2	40	0.00bn	
Others									0.01bn
Total									0.02bn

Montenegro									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per Trip	# of cigarettes	ND(L) volume	Total ND(L)
Bosnia and Herzegovina	Outbound	0.04m	78%	29%	0.01m	10	200	0.00bn	0.00bn
	Inbound	0.32m	82%	28%	0.07m	2	40	0.00bn	
Serbia	Outbound	Figure based on tourism statistics and border region consumption analysis							0.00bn
	Inbound								
Turkmenistan	Outbound	0.00m	78%	29%	0.00m	0	0	0.00bn	0.00bn
	Inbound	0.00m	64%	5%	0.00m	2	40	0.00bn	
Guatemala	Outbound	0.00m	78%	29%	0.00m	10	200	0.00bn	0.00bn
	Inbound	0.00m	64%	10%	0.00m	2	40	0.00bn	
Others									0.00bn
Total									0.01bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Netherlands									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Germany	Outbound	Figure based on tourism statistics and border region consumption analysis							0.47bn
	Inbound								
Spain	Outbound	Figure based on tourism statistics and border region consumption analysis							0.40bn
	Inbound								
Italy	Outbound	Flows considered predominantly legal							0.20bn
	Inbound								
Belgium	Outbound	Flows considered predominantly legal							0.15bn
	Inbound								
Others									1.04bn
Total									2.26bn

North Macedonia									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Saudi Arabia	Outbound	0.01m	80%	27%	0.00m	10	200	0.00bn	0.00bn
	Inbound	0.00m	72%	11%	0.00m	2	40	0.00bn	
Bulgaria	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Greece	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Serbia	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Others									0.12bn
Total									0.14bn

Norway									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per Trip	# of cigarettes	ND(L) volume	Total ND(L)
Sweden	Outbound	Flows considered predominantly legal							0.28bn
	Inbound								
Germany	Outbound	0.49m	80%	10%	0.04m	5	100	0.00bn	0.01bn
	Inbound	1.45m	83%	19%	0.23m	2	40	0.01bn	
Denmark	Outbound	1.36m	80%	10%	0.10m	5	100	0.01bn	0.01bn
	Inbound	0.42m	81%	13%	0.05m	2	40	0.00bn	
Spain	Outbound	1.41m	80%	10%	0.11m	5	100	0.01bn	0.01bn
	Inbound	0.23m	84%	25%	0.05m	2	40	0.00bn	
Others									0.18bn
Total									0.48bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Poland									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Germany	Outbound	Figure based on tourism statistics and border region consumption analysis							0.08bn
	Inbound								
Ukraine	Outbound	0.01m	82%	21%	0.00m	2	40	0.00bn	0.08bn
	Inbound	8.98m	83%	26%	1.91m	2	40	0.08bn	
Italy	Outbound	Flows considered predominantly legal							0.05bn
	Inbound								
Belarus	Outbound	0.18m	82%	21%	0.03m	2	40	0.00bn	0.02bn
	Inbound	2.02m	80%	24%	0.39m	2	40	0.02bn	
Others									0.26bn
Total									0.48bn

Portugal									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Spain	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Germany	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
France	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Switzerland	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Others									0.03bn
Total									0.08bn

Romania									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Bulgaria	Outbound	Figure based on tourism statistics and border region consumption analysis							0.37bn
	Inbound								
Moldova	Outbound	0.12m	81%	26%	0.03m	10	200	0.01bn	0.03bn
	Inbound	3.70m	76%	26%	0.73m	2	40	0.03bn	
Turkey	Outbound	Flows considered predominantly legal							0.03bn
	Inbound								
Austria	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Others									0.15bn
Total									0.59bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Serbia									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Bulgaria	Outbound	Flows considered predominately legal							0.01bn
	Inbound								
Bosnia and Herzegovina	Outbound	Figure based on tourism statistics and border region consumption analysis							0.01bn
	Inbound								
Montenegro	Outbound	Flows considered predominately legal							0.00bn
	Inbound								
North Macedonia	Outbound	0.10m	83%	36%	0.03m	10	200	0.01bn	0.01bn
	Inbound	0.13m	80%	27%	0.03m	2	40	0.00bn	
Others									0.02bn
Total									0.05bn

Slovakia									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Poland	Outbound	Flows considered predominantly legal							0.03bn
	Inbound								
Czech Republic	Outbound	Flows considered predominantly legal							0.03bn
	Inbound								
Austria	Outbound	Flows considered predominantly legal							0.02bn
	Inbound								
Ukraine	Outbound	0.00m	81%	27%	0.00m	10	200	0.00bn	0.01bn
	Inbound	1.43m	83%	26%	0.30m	2	40	0.01bn	
Others									0.04bn
Total									0.13bn

Slovenia									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Croatia	Outbound	Flows considered predominately legal							0.06bn
	Inbound								
Austria	Outbound	Flows considered predominately legal							0.02bn
	Inbound								
Germany	Outbound	Figure based on tourism statistics and border region consumption analysis							0.01bn
	Inbound								
Italy	Outbound	Flows considered predominately legal							0.01bn
	Inbound								
Others									0.04bn
Total									0.14bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

Spain									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per Trip	# of cigarettes	ND(L) volume	Total ND(L)
Canary Islands	Outbound	Figure based on tourism statistics and border region consumption analysis							0.24bn
	Inbound								
Andorra	Outbound	Flows considered predominately legal							0.22bn
	Inbound								
Gibraltar	Outbound	Flows considered predominantly legal							0.18bn
	Inbound								
Portugal	Outbound	Figure based on tourism statistics and border region consumption analysis							0.04bn
	Inbound								
Others									0.37bn
Total									1.06bn

Sweden									
Country		# of border crossings	Population 18+	Smoking Prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Denmark	Outbound	Flows considered predominantly legal							0.04bn
	Inbound								
Germany	Outbound	Figure based on tourism statistics and border region consumption analysis							0.03bn
	Inbound								
Poland	Outbound	0.39m	79%	8%	0.03m	40	800	0.02bn	0.02bn
	Inbound	0.17m	82%	21%	0.03m	2	40	0.00bn	
Spain	Outbound	Flows considered predominantly legal							0.01bn
	Inbound								
Others									0.15bn
Total									0.25bn

Switzerland									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Germany	Outbound	Figure based on tourism statistics and border region consumption analysis							0.12bn
	Inbound								
Italy	Outbound	Flows considered predominantly legal							0.10bn
	Inbound								
France	Outbound	Flows considered predominantly legal							0.06bn
	Inbound								
Spain	Outbound	Flows considered predominantly legal							0.03bn
	Inbound								
Others									0.48bn
Total									0.78bn

Note: Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Non-Domestic Legal analysis

UK ^(a)									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
Poland	Outbound	2.96m	80%	19%	0.44m	10	200	0.09bn	0.32bn
	Inbound	1.75m	82%	22%	0.31m	37	740	0.23bn	
Romania	Outbound	0.34m	80%	12%	0.03m	10	200	0.01bn	0.15bn
	Inbound	0.85m	81%	26%	0.18m	40	800	0.14bn	
Turkey	Outbound	6.33m	80%	12%	0.58m	10	200	0.12bn	0.12bn
	Inbound	0.23m	74%	29%	0.05m	2	40	0.00bn	
Canary Islands	Outbound	6.29m	80%	12%	0.58m	10	200	0.12bn	0.12bn
	Inbound	0.00m	84%	0%	0.00m	0	0	0.00bn	
Others									2.14bn
Total									2.84bn

Ukraine									
Country		# of border crossings	Population 18+	Smoking prevalence	Smoker trips	Packs per trip	# of cigarettes	ND(L) volume	Total ND(L)
India	Outbound	0.03mn	83%	26%	0.01mn	10	200	0.00bn	0.00bn
	Inbound	0.00mn	70%	4%	0.00mn	2	40	0.00bn	
Poland	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Non-government-controlled areas	Outbound	0.00mn	83%	26%	0.00mn	0	0	0.00bn	0.00bn
	Inbound	0.00mn	81%	29%	0.00mn	2	40	0.00bn	
Czech Republic	Outbound	Flows considered predominantly legal							0.00bn
	Inbound								
Others									0.00bn
Total									0.00bn

Notes: (a) Smoking prevalence has been weighted to take account of the nationality and gender of the travellers between Poland and the UK; (b) Predominantly legal indicates that for the purposes of this Report cross-border travel volumes are sufficiently large that we have classified the flows as 100% ND(L), but recognise in reality that an element of the flow could be illicit as smuggling or imports over the allowed limits may occur

Source: (1) KPMG European Flows Calculation

Illicit Whites analysis

Illicit Whites brand flows accounted for ~18% of total C&C volumes in the 38 European markets

Illicit Whites are defined as

- Cigarettes which are usually manufactured legally in one country or market but which the evidence suggests have been smuggled across borders to the destination market where they have limited or no legal distribution and are sold without the payment of tax

KPMG undertook the following analysis to estimate which brands made up Illicit Whites brand flows:

- Non-Domestic volumes were compared to LDS on a country-by-country basis to estimate the Non-Domestic share of total consumption
- KPMG conservatively assumed that where Non-Domestic volumes of a brand represented over 99% of total consumption, it is classified as an Illicit Whites brand

Where Illicit Whites packs do not have any country-specific tax stamps, they are categorised as ‘Illicit Whites with no country-specific labelling’ in the Report. This includes Duty Free labelled packs

An Illicit Whites brand’s overall volume is the total of only those countries where the brand flow meets the 99% criteria

Many of the Illicit Whites flows are identified in high volumes in the empty pack survey. However, given our identification of Counterfeit product is limited to the empty pack survey participants, we cannot assess whether these flows are genuine or counterfeit

Illustrative example

Non-Domestic volumes by brand and destination country				
Brand	Country 1	Country 2	Country 3	Country 4
Brand A	0.01	0.24	0.01	0.01

LDS by brand and by country				
Brand	Country 1	Country 2	Country 3	Country 4
Brand A	-	0.00	-	0.01

Non-Domestic volumes as share of total consumption				
Brand	Country 1	Country 2	Country 3	Country 4
Brand A	100%	100%	100%	38%

Illicit White volumes by brand and by destination country				
Brand	Country 1	Country 2	Country 3	Country 4
Brand A	0.01	0.24	0.01	-

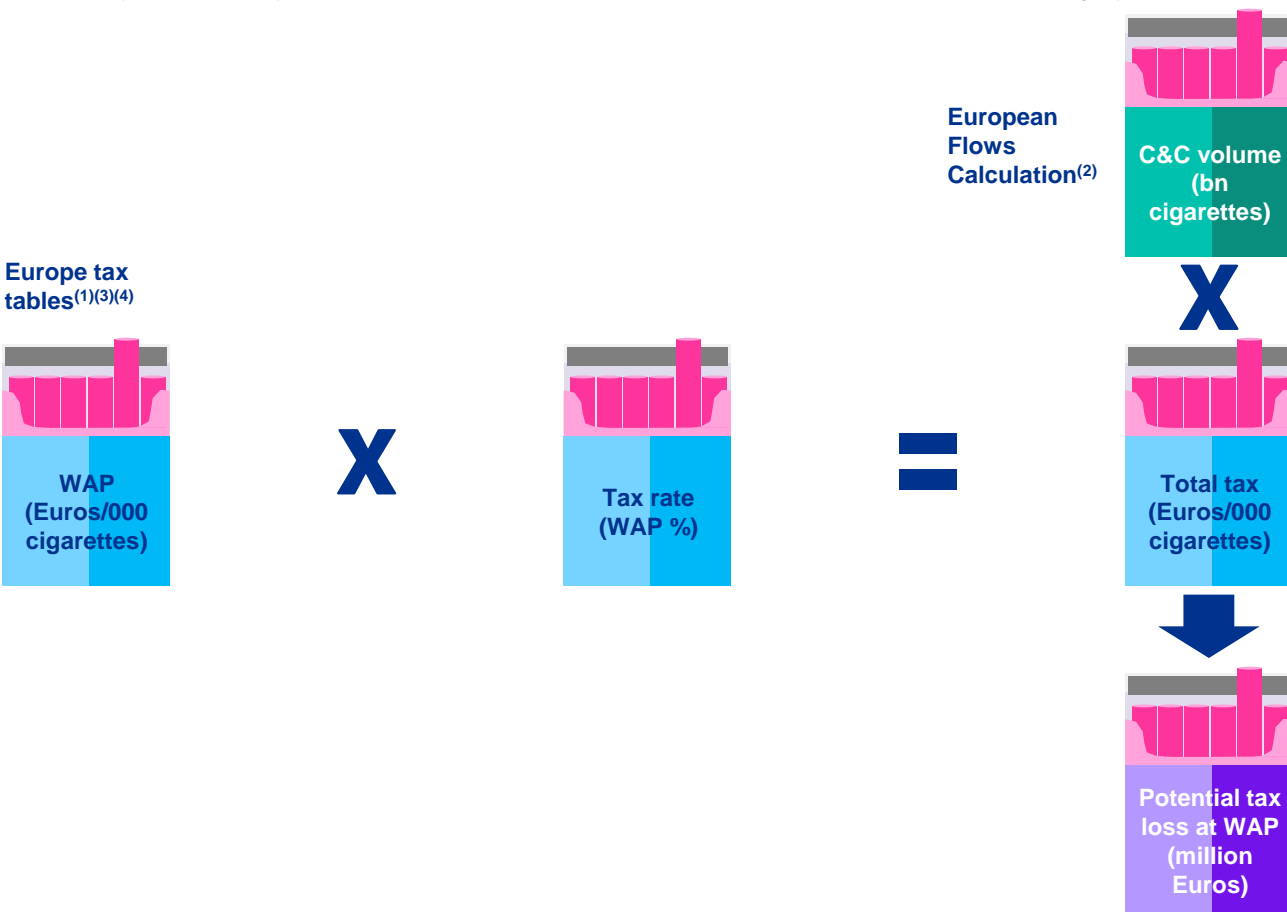
Classified as an Illicit White in country 1, 2 and 3 where there is limited or no evidence of legal distribution

Not classified as an Illicit White in country 4 where Non-Domestic volumes are 38% of consumption

Tax Revenue Loss

The Report estimates the excise and VAT revenue that would have been gained had the volume of C&C cigarettes consumed in a country been legally purchased in that country

- The calculation shown below was performed for each EU27 country:
 - European Commission Excise Duty Tables tax tables 2024 were used to estimate the Weighted Average Price^(a) for cigarettes in each country within the EU27
 - This is then multiplied by the tax rate (as a % of Weighted Average Price (WAP)) in each country within the EU27
 - The resultant tax take (per cigarette) is multiplied by the C&C consumption volumes for that country per the European Flows Calculation to give the total potential tax loss based on WAP
- KPMG also similarly estimated tax losses for Norway, Switzerland, UK, Ukraine, Moldova, Albania, Bosnia & Herzegovina, Montenegro, North Macedonia, Kosovo and Serbia using the tax rates in these countries and WAP data available through other sources⁽³⁾⁽⁴⁾
- Total tax losses for the 38 European countries based on WAP were estimated to be €19.4bn in 2024.
- Tax losses are estimated based on sales volumes and are not reflective of any other factors, like affordability or price elasticity and are always reported at what would have been lost if the C&C had been purchased legally



Note: (a) WAP denotes Weighted Average Price per pack of 20 cigarettes

Sources: (1) For EU countries, tax rate and WAP from EC Excise Duty tables; (2) KPMG European Flows Calculation and analysis of data sources provided by manufacturers; (3) For UK, Norway, Switzerland, Ukraine, Moldova, Kosovo and North Macedonia, tax rate and WAP from PMI as on October 2024; (4) For Albania, Bosnia & Herzegovina, Montenegro, Serbia and other countries, WHO 2022 most sold brand prices extrapolated for 2024 using 2022-2024 CAGR from Euromonitor

Illegal factory seizure data

<p>Seizure data shown in this Report is based on data provided by PMPSA, and may differ from seizure data released from other sources</p>	<p>Seizure data included in this Report is based on information received from PMPSA</p> <ul style="list-style-type: none"> Seizure data is gathered via two methods: <ul style="list-style-type: none"> Publicly available press articles and legal notifications Notifications from law enforcement agencies to legitimate manufacturers. Law enforcement agencies typically notify manufacturers when an illegal cigarette factory has been raided that is Counterfeiting a brand belonging to the legitimate manufacturer. This information may not always be in the public domain <p>This PMPSA seizure data may differ from seizure data released by other sources, e.g. law enforcement agencies, or OLAF</p> <ul style="list-style-type: none"> In some cases, law enforcement agencies may not notify manufacturers or publicly announce seizures, e.g. when an investigation is ongoing Classification of what constitutes a seizure may differ between agencies vs PMPSA. For example, some law enforcement agencies may not recognise a factory in the set-up phase as a seizure event, whereas these are included in the figures shown in this Report.
<p>Where required, we have converted seized tobacco volumes into cigarette equivalents</p>	<p>To allow a consistent and comparable measure of seizure events, we have converted some seizures events into cigarette equivalents</p> <ul style="list-style-type: none"> Seizure events may discover cigarettes, processed or raw tobacco Where processed or raw tobacco is seized, it has been converted into a cigarette equivalent with the assumption that 1 cigarette contains 0.7g of tobacco⁽²⁾
<p>Seizure data and the trends therein may not align with the illicit cigarette consumption results shown in this Report at an overall or subcategory level</p>	<p>There are differences between seizure data and the illicit cigarette consumption results in this Report, which may be due to the investigation-led nature of seizures</p> <ul style="list-style-type: none"> For example, 36% of illicit cigarettes consumed within the EU27 were identified as Counterfeit in 2023 in this Report. However, 2023 OLAF seizures data notes that Counterfeit represented 22% of EU27 seizures^{(1)(a)} Seizures are often intelligence led and tend to target specific manufacturing or transport operations. It is not possible to estimate what share of total illicit activity or consumption these seizures represent, as a result the mix and evolution of seizure activity is likely to differ to the total illicit cigarette consumption estimates contained in this Report

Note: (a) The OLAF seizures data corresponds to calendar year 2023;
Source: (1) OLAF, Tobacco smuggling: over 600 million illicit cigarettes seized thanks to OLAF in 2023, 11 April 2024 (2) Tobacco Product Standard for Nicotine Level of Combusted Cigarettes, FDA, 2018

04



Methodology – Heated tobacco

Overview

The estimations of heated tobacco total consumption and Contraband incidence in this Report utilise the KPMG EU Flow Calculation methodology which was originally developed to estimate Illicit cigarette consumption in the EU and selected European markets. Refer to the methodology for estimating illicit cigarette consumption within this Report for further details. This heated tobacco methodology section highlights the differences between the methodologies used for cigarettes and heated tobacco

<p>For 7 of the 10 markets included in this Report, an empty pack survey was used to produce the estimates shown. A consumer survey was used in the remaining 3 markets. Our rationale for selection of an empty pack vs consumer survey is shown opposite</p>	<div> <div> <div>1. Empty Pack Survey</div> <div> <div>Step 1 Does an empty pack survey with a sufficiently large sample relative to the market size exist?</div> <div> <div>Yes</div> <div>No</div> </div> <div> <div>Use the empty pack survey for analysis</div> </div> </div> <div> <div>2. Consumer Survey (CS)</div> <div> <div>Step 2: Is a consumer survey available?</div> <div> <div>Yes</div> <div>No</div> </div> <div> <div>Use the consumer survey for analysis</div> <div>Country not included in our analysis^(a)</div> </div> </div> </div> <div> <ul style="list-style-type: none"> Refer to the following pages for further details on empty pack and consumer surveys, as well as which source has been used for which market on page 269 and 270 </div> </div></div>
<p>Empty pack survey results provide a robust indication of the incidence of Non-Domestic packs and their country of origin</p>	<p>An empty pack survey relies purely on physical evidence, avoiding the potential for consumer bias found in interview-based methods</p> <ul style="list-style-type: none"> The empty pack surveys were commissioned by PMI and conducted by independent market research agencies across 8 markets in 2024 (Czech Republic, Greece, Hungary, Italy, Lithuania, Poland and Spain and the UK) allowing for direct comparison of data and the identification of inflows and outflows between all the countries analysed The surveys are commissioned by the participating manufacturers (one or more of British American Tobacco, Imperial Brands, Japan Tobacco International and Philip Morris International) and the sampling plan is designed by the agencies in conjunction with the manufacturers to help make the sampling plan statistically representative of consumption in the country for the whole year studied 25,700 packs were collected in 2024 as part of this research for the 8 markets including UK Refer to page 269 for an overview of those markets for which an empty pack survey was used to produce the analysis included in this Report

Note: (a) Relevant for France only

Overview (cont.)

<p>In some markets, consumer surveys were used to provide an indication of the incidence of Non-Domestic packs and their country of origin</p>	<p>In Germany and Romania, a representative empty pack survey was not available due to the relatively small size of heated tobacco consumption, making it difficult to achieve a sufficient sample size. In the UK, pack disposal location data suggested heated tobacco products were predominantly consumed and disposed of in the home, meaning an empty pack survey conducted in public locations would not provide an accurate picture of consumption. In these instances, a consumer survey was used to determine the incidence of Non-Domestic packs and their country of origin</p> <ul style="list-style-type: none"> The consumer surveys were separately commissioned by PMI and conducted by independent market research agencies across a database of registered IQOS users for Germany, UK, and both registered IQOS and Non-IQOS users for Lithuania and Romania, following a consistent methodology across all 4 markets in this Report allowing for a direct comparison of data As part of this research, photographs were collected, including unique identifiers (EAN numbers) of the heated tobacco packs respondents were currently consuming. This reduced the potential for consumer bias when disclosing what they were currently consuming, and enabled identification of the country of origin of packs and the subsequent calculation of inflows and outflows between all of the countries analysed 4,305 consumers were surveyed in 2024 across the 4 countries included in this Report
<p>Tourism and travel trends are used to estimate legal Non-Domestic heated tobacco purchases</p>	<p>Tourism and travel data provided by publicly-available third-party sources are used to estimate genuine, legal Non-Domestic heated tobacco purchases (including cross-border shopping) in each market based on inbound visitor inflows and price incentives</p> <ul style="list-style-type: none"> Weighted average price (WAP) of a pack of heated tobacco in each market was provided by PMPSA^(a). Where flows come into a market from a higher priced market, they are assumed to be legal, as there is no price incentive for smuggling given that consumers could buy heated tobacco more cheaply via legitimate channels
<p>To help improve the accuracy of results, minor refinements were necessary at a country level</p>	<p>Comparison of data from alternative sources identified one instance where country-to-country flows required adjustment</p> <ul style="list-style-type: none"> In Germany, specific adjustments were made to Poland ND(L) flows where additional data provided by third parties allowed for further refinement of the analysis. Refer to page 273 for further details.
<p>Illicit Whites</p>	<p>KPMG sought to identify Illicit Whites packs in both empty pack survey and consumer survey. However, we could not find any Illicit Whites packs in the available survey data</p>

Note: (a) WAP data provided by PMPSA

Empty pack survey methodology

The empty pack survey methodology used to collect heated tobacco packs is consistent with that used to collect cigarette packs. Refer to the methodology for estimating illicit cigarette consumption within this Report for further details.

Coverage	<p>The total number of heated tobacco packs collected in each market is not solely based on population but is determined by number of factors such as the size of the market, the likelihood of high Non-Domestic incidence and the manufacturers’ share of the legal market. However, locations where packs are collected ‘in market’ are based on city and regional populations to seek to ensure the sample is nationally representative.</p> <ul style="list-style-type: none">• More than 1,000 packs were collected in the majority of markets in this Report:<ul style="list-style-type: none">- Markets with less than 500 packs collected: Spain- Markets with 500-1,000 packs collected: Lithuania, United Kingdom- Markets with over 1,000 packs collected: Czech Republic, Greece, Hungary, Italy, Poland⁽¹⁾
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Source: (1) Empty pack surveys

Consumer survey methodology

Overview	<p>A consumer survey is a survey of a panel of registered heated tobacco users which gathers detailed pack information to estimate the incidence of domestic and Non-Domestic packs and brands in each of the markets. In addition, the consumer surveys also gather data on purchase channels for heated tobacco</p> <ul style="list-style-type: none"> — The consumer surveys are conducted by independent market research agencies (except for Germany where the consumer survey was conducted by PMI). Survey respondents are selected to meet a pre-defined target sample size (refer to the coverage section below for details on sample sizes) with soft quotas on age and gender to be representative of heated tobacco users across the markets studied — Results reflect actual overall Non-Domestic share and provide a snapshot of brands consumed
Process	<p>The consumer surveys are based on a pre-defined questionnaire</p> <ul style="list-style-type: none"> — Respondents answer questions related to the pack of heated tobacco they are currently consuming, with questions covering country of purchase, brand, channel of purchase, price point etc. They also provide a photograph of the pack. — Within the survey the European Article Number (EAN) of the respondent's current pack of heated tobacco is recorded. Where EANs correspond to PMI products, the EANs are verified by PMI against their EAN database to confirm the origin, variant, pack size etc. — In cases where EANs correspond to non-PMI products, health warning and packaging characteristics are used to determine the origin, variant, pack size etc, and where no markings are found they are recorded as unspecified — Once responses are collected, the number of domestic versus Non-Domestic packs is counted to estimate the proportion of packs that did not originate from that jurisdiction (including Duty Free variants) — KPMG used the results of the consumer surveys to extrapolate overall consumption in the market using LDS, the percentage of Non-Domestic sticks and respondent consumption volumes as found through the surveys — The process is repeated across all countries of study using an approach which iterates the level of Non-Domestic sticks until all inflows and outflows are equal
Coverage	<p>The total number consumers surveyed in each market is not solely based on population but is determined by a number of factors such as the size of the market, the number of registered heated tobacco users, and the likelihood of high Non-Domestic incidence. However, the users surveyed are based on predetermined quotes on age, gender etc. to seek to ensure a nationally representative sample</p> <ul style="list-style-type: none"> — Sample sizes across the markets in this Report range from 200 to 3,000 consumers⁽¹⁾ — Consumer surveys were conducted online by Ipsos among a selection of registered IQOS users in UK — In Romania, the consumer survey was conducted both online and offline by Ipsos among a selection of registered IQOS users and users of other heated tobacco systems — In Lithuania, the consumer survey was conducted offline by Ipsos among a selection of registered IQOS users and users of other heated tobacco systems — In Germany, the consumer survey was conducted monthly from January to November by PMI among a selection of registered IQOS users

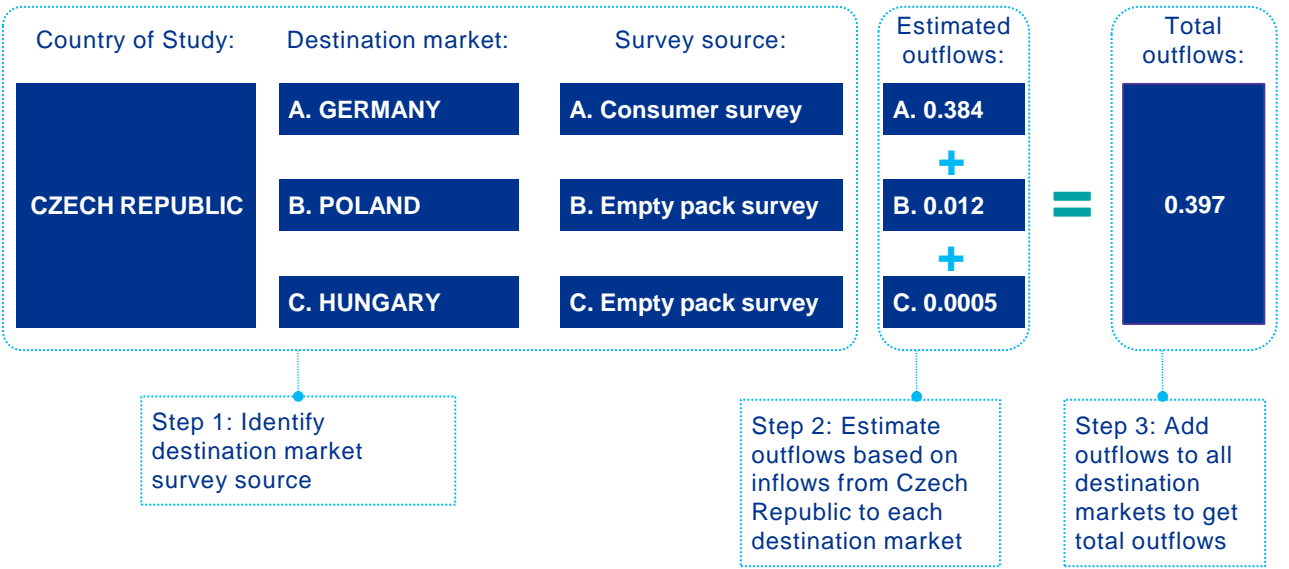
Source: (1) Consumer surveys

Outflows calculation

As data sources differed across the 10 markets in the Report (refer to page 269 and 270 for details), we have used the following three step methodology to combine the outflows indicated between markets for each survey source



Illustrative example of outflows calculation



Consumer survey Contraband analysis

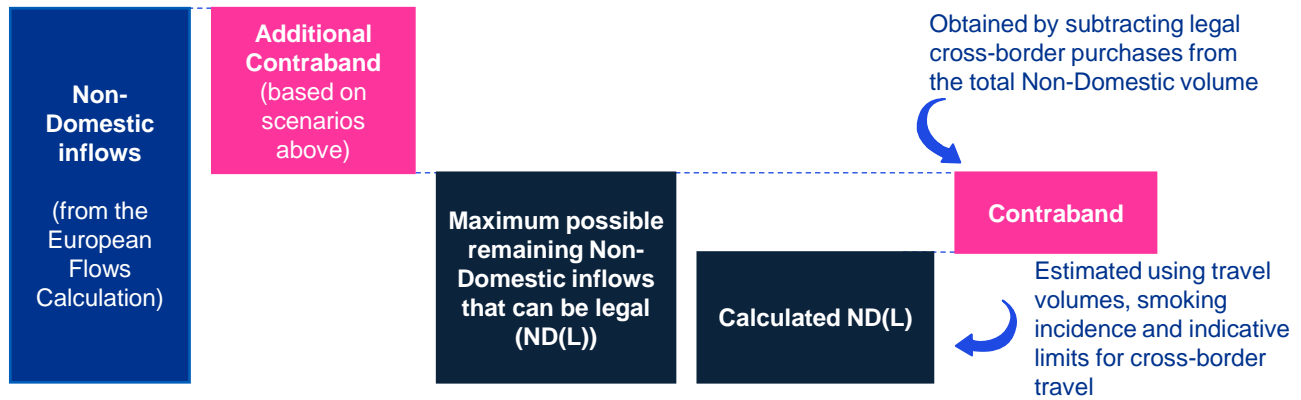
Regardless of data source used (empty pack or consumer survey), the KPMG European Flows Calculation provides an estimate of Non-Domestic consumption for all markets in this Report. In three markets in this Report (Germany, Romania and the UK) consumer surveys were used to estimate total heated tobacco consumption. The consumer survey responses contained additional data on place and channel of purchase that enabled an additional estimate of Contraband consumption that is not possible with empty pack survey results. The methodology used to carry out this additional estimate is set out below

Additional scenarios in which a pack of heated tobacco is considered Contraband in consumer survey results

1. The county of origin does not correspond to where the pack was purchased If the consumer has purchased the pack in their home country but the pack is Non-Domestic, or the pack is domestic to the country of the consumer, but they have purchased it abroad	2. The consumer has purchased Non-Domestic heated tobacco in excess of allowed limits If the consumer states that the Non-Domestic pack they are currently consuming was part of a purchase of multiple packs from another country, and the total number of packs purchased was more than the legal limit	3. The consumer has purchased Non-Domestic heated tobacco through consumer-to-consumer online channels If the consumer has purchased a Non-Domestic pack from following channels: social media, consumer to consumer online marketplaces ^(a) , or social media messaging apps in a market where this is not permitted
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How this additional Contraband is reflected in our estimates shown

The additional Contraband volume identified in the consumer survey results through the scenarios set out above is considered alongside the calculation of Non-Domestic Legal volumes using travel volumes, smoking incidence and indicative limits for cross-border travel as set out below



Breakdown of Contraband by source⁽¹⁾

The table below sets out, for the markets where consumer surveys were used, how much Contraband is estimated using the three scenarios identified above, and how much is calculated using travel statistics etc.

Country	Additional contraband from consumer survey	Travel statistics estimated contraband	Total contraband (bn sticks)
Germany	0.00	0.15	0.15
Romania	0.03	0.00	0.03
UK	0.05	0.01	0.06

Data sources by country

Legal Domestic Sales (LDS)

- LDS data for all markets is sourced from In Market Sales (IMS), data compiled by Nielsen and other third-party market research agencies

2024 heated tobacco survey data sources

- For most markets in this Report, two data sources were available; an empty pack survey and a consumer survey
- The preferred source for estimating heated tobacco consumption is an empty pack survey, as larger sample sizes tend to be achieved
- Refer to the table below for a more detailed breakdown of data source chosen by market in 2024
- The survey sources listed below have been consistent across all four years included in this Report 2021-2024
- In most markets where both an empty pack survey and a consumer survey were available, results from the two sources were relatively aligned, except for the UK (see next page).

Survey sources used by market ⁽¹⁾

Country	Empty pack survey available?	Consumer survey available?	Survey chosen for estimates shown in this Report	Rationale for survey source chosen
Czech Republic	Yes	No	Empty pack survey	Only an empty pack survey was available
Germany	No	Yes	Consumer survey	Only a consumer survey was available
Greece	Yes	No	Empty pack survey	Only an empty pack survey was available
Hungary	Yes	No	Empty pack survey	Only an empty pack survey was available
Italy	Yes	No	Empty pack survey	Only an empty pack survey was available
Lithuania	Yes	Yes	Empty pack survey	An empty pack survey is the preferred source, as larger sample sizes are achieved
Poland	Yes	No	Empty pack survey	Only an empty pack survey was available
Romania	No	Yes	Consumer survey	Only a consumer survey was available
Spain	Yes	No	Empty pack survey	Only an empty pack survey was available

Source: (1) Empty pack surveys and consumer surveys

Data sources by country (cont.)

Survey sources used by market (cont.)⁽¹⁾

Country	Empty pack survey available?	Consumer survey available?	Survey chosen for estimates shown in this Report	Rationale for survey source chosen
UK	Yes	Yes	Consumer survey	<p>An empty pack survey (600 samples) and consumer survey (292 samples) were both available. However, the consumer survey was considered to be a more representative source as:</p> <ol style="list-style-type: none"> 1. The predominantly home-based disposal pattern evident in the UK market indicates a consumer survey would be more representative compared to the on-street and open access public bin driven empty pack survey: <ul style="list-style-type: none"> • Nearly 80% UK heated tobacco consumers disposed their last packet of heated tobacco sticks with their home recycling & garbage^(a) 2. The empty pack survey indicated lower Non-Domestic incidence of ~3.2% vs ~12.6% in the consumer survey: <ul style="list-style-type: none"> • This lower consumer survey Non-Domestic incidence is not in line with high volumes of cross border travel in the UK, coupled with the UK's relatively high price point for heated tobacco compared to other inflow markets, and UK travellers' ability to purchase Duty Free heated tobacco when travelling to both EU and non-EU destinations, which further incentivises cross border purchases. <p>Due to these factors the consumer survey was selected for our analysis</p> <p>We will continue to monitor the effectiveness of empty pack and consumer surveys in the UK</p>












Notes: (a) KPMG analysis based on 2023 consumer responses regarding disposal locations of heated tobacco packs in the consumer survey data
Source: (1) Empty pack surveys and consumer surveys

Data sources by country (cont.)

Comparison of 2024 heated tobacco survey data sources

- The table below sets out the sample sizes and Non-Domestic incidence from the data source used for the markets in this Report (consumer survey or empty pack survey)
- Note that we have not included France results in the study, as the number of samples collected via either the empty pack survey or consumer survey were not large enough to draw meaningful conclusions on heated tobacco consumption in the market. For this reason, we have also excluded France from the Country Profiles section of this Report

Sample size and Non-Domestic incidence by market, 2021-2024^{(1)(a)}

Region	Number of packs/respondents				Non-Domestic incidence ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Czech Republic (empty pack survey) 	1,024	2,000	2,000	6,000	3%	6%	10%	8%
France (consumer survey) 	361	73	160	75	19%	20%	25%	40%
Germany (consumer survey) 	968	947	2,600	3,000	21%	32%	34%	32%
Greece (empty pack survey) 	2,094	4,000	2,000	2,000	3%	5%	3%	3%
Hungary (empty pack survey) 			4,000	8,000			5%	4%
Italy (empty pack survey) 	5,308	4,141	4,000	4,000	0.3%	1%	1%	2%
Lithuania (empty pack survey) 	521	1,000	714	900	2%	4%	4%	5%
Poland (empty pack survey) 	4,261	3,330	4,000	4,000	1%	1%	1%	3%
Romania (consumer survey) 	1,061	1,013	503	513	1%	1%	1%	2%
Spain (empty pack survey) 		79	194	200		10%	7%	2%
UK (consumer survey) 	534	483	657	292	7%	12%	12%	13%

Note: (a) Sample size and ND incidence is shown as per the selected survey source for the market; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey and consumer survey

Source: (1) Empty pack surveys and consumer surveys

Data sources by country (cont.)

Survey dates and coverage, 2024^{(1)(a)}

Country	Survey type	Survey dates	Packs collected / Consumers surveyed	Number of cities covered
Czech Republic	Empty pack survey	Q2: Apr-June Q4: Oct-Nov	6,000	30
Germany	Consumer survey	Monthly: Jan-Nov	3,000	Data not available
Greece	Empty pack survey	Q2: Apr-May Q3: Sep	2,000	9
Hungary	Empty pack survey	Q1: Feb-Apr Q3: Aug-Sept	8,000	40
Italy	Empty pack survey	Q2: May-Jun Q4: Oct-Nov	4,000	25
Lithuania	Empty pack survey	Q2: Mar	900	10
Poland	Empty pack survey	Q2: Apr-June Q4: Oct-Nov	4,000	14
Romania	Consumer survey	Q4	513	Data not available
Spain	Empty pack survey	Q4: Oct-Nov	200	9
UK	Consumer survey	Q4: Nov	292	29 ^(b)

Note: (a) Packs collected is shown as per the selected survey source for the market; (b) Based on consumer survey responses on region of residence. Does not include cities noted as "Others"

Source: (1) Empty pack surveys and consumer surveys

Non-Domestic legal adjustments

2024 Non-domestic legal adjustments

- Comparison of data from alternative sources identified some markets where country-to-country flows required adjustment. These markets and the adjustments made are set out below

Country	Adjustment
Germany	ND(L) from Poland <ul style="list-style-type: none"> Our initial European Flows Calculation results indicated ND(L) flows from the Poland were less than 0.76bn heated tobacco sticks. This is because WTO traveller data does not account for the high number of non-tourism related border crossings between Germany and Poland related to workers and shoppers. By supplementing WTO traveller statistics with border crossing data from the Czech Statistics Office, ND(L) increased to 1.01bn heated tobacco sticks

05



Appendices - Cigarettes

Limitations of Results

The below noted limitations of results apply across 2020 to 2024			
Limitation	Detail	Impact	Adjustment
Geographic coverage	<ul style="list-style-type: none"> We have limited our geographic coverage in some markets where additional territories are not covered by empty pack surveys In some instances (e.g. Greek islands), LDS data is also not available Regions impacted by the ongoing war in Ukraine have been excluded from pack swap surveys in 2022, 2023 and 2024 	<ul style="list-style-type: none"> Spanish results only cover mainland Spain and do not include the Canary Islands, Balearic Islands or Ceuta & Melilla French results cover only mainland France and do not include Corsica. As a result, LDS from Corsica is not included in France consumption figures Portuguese results only cover mainland Portugal and do not include Madeira or the Azores Greek results only cover mainland Greece and do not include the Greek islands UK results only cover Great Britain and Northern Ireland and do not include the Channel Islands or Isle of Man The following regions were excluded from the pack swap survey in Ukraine: Luhansk, Donetsk, Kherson, Zaporizhia (except for the city of Zaporizhzhia), Crimea, Mykolaiv (except for the city of Mykolaiv) and 70% of Kharkiv 	<ul style="list-style-type: none"> Not adjusted for
Non-major manufacturer Counterfeit	<ul style="list-style-type: none"> Empty pack survey results do not identify Counterfeit packs that have been made by manufacturers other than British American Tobacco, Imperial Tobacco, Japan Tobacco International, and Philip Morris International as only the manufacturer/trademark owner can confirm whether their brand pack is genuine 	<ul style="list-style-type: none"> In some instances, the volume of Legal Domestic Consumption may be overstated where domestic Counterfeit variants exist, leading to corresponding understatements of C&C volumes for some brands (although the impact is likely to be minimal) We cannot distinguish non-major manufacturer brand Counterfeit (Non-Domestic variants) and Contraband product, although this will not impact the overall volume of C&C Illicit Whites volumes may include Counterfeit For Moldova, Counterfeit analysis is not available For Ukraine, a detailed breakdown of C&C by brand is only available for 2020-24. In Ukraine and Germany, Counterfeit brand and/ or pack labelling data is not available for all years, so these markets are included in the 'Other' category 	<ul style="list-style-type: none"> Not adjusted for
Non-EU27 outflows	<ul style="list-style-type: none"> To estimate consumption, we have assumed no outflows of LDS outside the 38 countries of study 	<ul style="list-style-type: none"> Non-EU27 LDS outflows are not considered to be material for all countries of study except Luxembourg. This is because of the high prices relative to other parts of the world and Duty Free import restrictions. This is supported by market discussions and non-EU27 empty pack surveys For Luxembourg, additional research by industry participants indicates that there is a significant outflow of cigarettes to non-EU27 markets and this has been adjusted for 	<ul style="list-style-type: none"> Not adjusted for except Luxembourg

Limitations of Results (cont.)























Source	Limitation
Empty pack survey	<p>Whilst the empty pack survey for every country is designed by the third-party market research agencies to be representative of the overall population, in some countries, owing to the geographical circumstances or demographics it may not be possible to ensure that the sample is fully representative. This may be because:</p> <ul style="list-style-type: none"> • The sample is more heavily weighted towards populous, urban areas and therefore may not be fully representative of consumption habits in rural regions • Homes and workplaces or public spaces are not covered <p>Although empty pack survey dates are selected by the third-party market research agencies to seek to minimise seasonal factors, there may be specific events that impact the results such as significant price changes between countries and major national events which result in large numbers visiting the country, such as the Olympics or a World Cup</p> <ul style="list-style-type: none"> • In some instances, the timing of empty pack surveys has changed between years. To seek to ensure comparability of results, we analyse monthly LDS figures, consumption trends and visitor data and make adjustments where appropriate • Where there are specific outflows related to tourism limited to the summer months, the reported numbers may underrepresent the full picture as the empty pack survey will only capture one point in time • COVID-19 related lockdowns and travel restrictions have impacted the timings of empty pack surveys in some markets in the 2020 and 2021 results. To seek to ensure comparability of results, we have analysed monthly LDS figures, consumption trends, visitor data and other data sources to make adjustments where appropriate. Refer to the 2020 results version of this Report for further details on the estimated impact of COVID-19 on the results and our methodology <p>Brand and market variant share can only be extrapolated with a degree of statistical accuracy for brands where a sufficiently large number of packs have been collected</p> <p>We analyse empty pack survey results to identify any outliers that may impact results, such as geographic concentrations of a specific brand or market variant. We also compare brand specific data to known sales in the source market to identify whether results are credible</p> <ul style="list-style-type: none"> • Where data suggests a sampling or data capture error may have occurred at a specific location, we adjust the results in our analysis accordingly <p>In some specific instances it is not possible to differentiate between Duty Free and Duty Paid variants from the empty packs collected</p> <ul style="list-style-type: none"> • In some countries it is possible to purchase duty free labelled product but, when travelling within the EU27, duty is in fact paid on the product. It is not possible for the third-party market research agencies, participating manufacturers or us to determine this distinction • The study also does not take account of various Duty Free loopholes that exist for some travel within the Europe and the EU27 <p>Prior to 2023, empty pack survey results for Germany were based on a monthly analysis of packs collected at recycling centres as well as street-based empty pack surveys. In 2023 and 2024 results are based on street-based empty pack surveys only in order to align collection methodologies with other markets in the study. Partial results from the historical recycling centre analysis were also available in 2023, and upon comparison both methods produced similar results, indicating that this change in collection locations has not significantly impacted the estimates produced in this Report</p> <p>In 2021, Moldova switched from a PMI-commissioned empty pack survey to pack swap surveys commissioned by Big-4 industry participants. Therefore, given the change in methodology, trends may not be directly comparable between 2020 and 2021-24</p>

Limitations of Results (cont.)

Source	Limitation
LDS	<ul style="list-style-type: none"> In some cases, tax stamp data on packs released for sale may not correspond to the calendar year and may also be distorted by inventory holdings in advance of increases in taxation. In these instances, we have used the LDS source considered by local country PMI management to be representative of smoker consumption during the calendar year, or official government data sources Slight timing variances may arise between the date the product was shipped and actual consumption but, following discussions with local PMI management, this is not considered significant and the full year LDS information we have is considered to be a fair and accurate representation in each market Following the release of the 2023 Report, Legal Domestic Sales (LDS) data for Portugal for the years 2022 and 2023 was revised by PMPSA. The revision of LDS is due to provision of a new source of LDS information that provides more accurate information on legal sales volumes. We have not modified our historical results to reflect these revised figures. Consequently, the trends depicted between 2021 and 2024 are not directly comparable
ND(L)	<ul style="list-style-type: none"> From 2014, we have used business and tourism travel data from sources such as the UN World Tourism Organization (UNWTO) and national statistics offices to estimate the number of trips made We have estimated the volume of cigarettes purchased by travellers by assuming that smokers purchase the Duty Free limit, or the indicative legal limit for intra-EU27 travel This may over-weight ND(L) volume as a proportion of the total Non-Domestic flow In some markets consumer research help us to overcome some of these limitations, such as the number of packs purchased per trip We assume that traveller demographics are the same as the domestic population. It is likely that travellers will be older on average, with fewer under 18s. This may under-estimate ND(L) In order to estimate the ND(L) brand split, we used brand shares from the empty pack surveys. Refer to page 241 for details Pack swap survey data for Ukraine does not contain information regarding the origin of packs collected. Therefore, inflows to Ukraine cannot be broken down by origin and ND(L) inflows cannot be estimated Pack swap survey results for Moldova have been summarised by the market research agency into four categories –Duty-Free, Non-Domestic Duty Paid (NDDP), Illicit Whites, Counterfeit and Unspecified. For the purposes of this Report, the first two categories have been considered to be legal inflows into Moldova and the last two along with Counterfeit have been considered C&C. Furthermore, data on origins of these packs is not available and, therefore, breakdown of ND(L) and C&C by country of origin cannot be estimated
Weighted Average Price (WAP)	<ul style="list-style-type: none"> At the time of publication of this Report, the latest WAP data available from the European Commission Excise Duty tables were for the year 2024
Illegal factory seizure data	<ul style="list-style-type: none"> Seizure data contained in this Report only includes data which is publicly available or of which PMPSA have been notified by law enforcement agencies. The actual number of seizures and the quantities of cigarettes seized may be higher than that shown in this Report There may be a time delay between a seizure event and PMPSA being notified of the seizure. Again, this may mean the actual number of seizures and the quantities of cigarettes seized is higher than that shown in this Report

Empty pack survey results by country

















Empty pack survey results in 38 European markets, 2021-24^{(a)(c)}

Region		Number of packs collected				ND incidence in empty pack survey ^(b)			
		2021	2022	2023	2024	2021	2022	2023	2024
Albania		2,800	2,800	2,800	2,800	4%	4%	5%	6%
Austria		6,500	6,500	13,000	6,500	10%	11%	12%	12%
Belgium		5,600	5,600	5,600	5,600	10%	21%	18%	30%
Bosnia & Herzegovina		2,600	2,600	1,300	1,300	16%	11%	12%	4%
Bulgaria		23,200	23,200	11,600	11,600	2%	2%	2%	2%
Croatia		3,000	3,000	3,000	3,000	7%	6%	5%	6%
Cyprus		1,000	1,000	1,000	1,000	16%	15%	20%	25%
Czech Republic		20,423	21,004	31,506	21,004	8%	9%	16%	17%
Denmark		10,000	10,000	10,000	10,900	10%	9%	16%	14%
Estonia		6,600	6,600	6,600	6,600	12%	16%	14%	12%
Finland		5,000	5,000	5,000	5,000	16%	19%	22%	26%
France		46,000	46,000	34,500	46,000	29%	34%	40%	51%
Germany		120,000	120,000	181,591	198,954	14%	15%	16%	17%
Greece		18,000	18,000	12,000	12,000	25%	22%	25%	20%
Hungary ^(d)		17,241	17,240	17,000	23,200	6%	11%	13%	16%
Ireland		5,000	5,000	5,000	5,000	20%	36%	44%	48%
Italy		40,000	40,000	40,000	40,000	3%	3%	3%	4%
Kosovo		1,800	-	1,800	1,800	3%	-	2%	4%
Latvia		9,800	9,800	4,900	4,900	17%	17%	15%	19%
Lithuania		11,600	11,600	5,800	5,800	21%	22%	22%	27%
Luxembourg		400	400	400	400	6%	17%	15%	15%
Malta		1,000	1,000	1,000	1,000	12%	11%	10%	11%

Note: (a) Only base survey data in the empty pack surveys have been summarised in this table, i.e. 'focus' samples designed to investigate particular regional phenomena are excluded as they do not form part of the statistically representative national sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report; (c) Regions and years with "-" indicates that EPS was not conducted in those countries for the particular year; (d) Pack survey count in 2024 includes 'focus' samples

Empty pack survey results by country (cont.)

Empty pack survey results in 38 European markets, 2021-24^{(a)(c)}

		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Moldova ^(f)		1,534	1,532	1,530	1,578	2%	7%	12%	1%
Montenegro		1,000	1,000	1,000	1,000	32%	27%	10%	12%
Netherlands		14,000	14,000	14,000	14,000	27%	15%	22%	39%
North Macedonia		1,200	1,200	1,200	1,200	3%	3%	4%	6%
Norway		5,000	5,000	5,000	5,000	22%	35%	37%	39%
Poland ^(d)		50,000	50,000	37,500	51,000	6%	5%	5%	5%
Portugal		3,000	3,000	3,000	3,000	7%	3%	5%	3%
Romania		10,049	15,076	12,101	12,058	8%	7%	8%	8%
Serbia		1,000	2,700	2,700	2,700	32%	3%	4%	5%
Slovakia		5,000	5,000	5,000	5,000	4%	4%	6%	8%
Slovenia		3,000	3,000	3,000	3,000	14%	7%	16%	12%
Spain		30,000	30,000	30,000	30,000	8%	6%	5%	6%
Sweden		10,000	10,000	10,000	10,000	9%	11%	11%	14%
Switzerland		5,600	5,600	5,600	5,600	9%	8%	13%	13%
UK		25,400	25,400	12,700	12,700	22%	28%	36%	38%
Ukraine ^(e)		13,200	5,527	9,000	12,000	16%	19%	20%	15%
Total		536,547	537,079	548,728	584,194	14%	14%	15%	16%

Note: (a) Only base survey data in the empty pack surveys have been summarised in this table, i.e. ‘focus’ samples designed to investigate particular regional phenomena are excluded as they do not form part of the statistically representative national sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn’t account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report; (c) Regions and years with “-” indicates that EPS was not conducted in those countries for the particular year; (d) Pack survey count in 2024 includes ‘focus’ samples (e) Pack swap survey (f) Pack swap survey in 2021 – 2023

Empty pack survey results by country (cont.)

Albania and Austria results by region, 2021-24^{(1)(2)(a)}

Region	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Berat	100	100	100	100	3%	2%	5%	1%
Durres	300	300	300	300	5%	8%	6%	5%
Elbasan	200	200	200	200	2%	2%	5%	5%
Fier	200	200	200	200	4%	2%	5%	3%
Gjirokastr	100	100	100	100	2%	4%	23%	13%
Kavaje	100	100	100	100	7%	3%	6%	16%
Korce	100	100	100	100	5%	6%	5%	6%
Kukes	100	100	100	100	12%	4%	30%	30%
Lezhe	100	100	100	100	6%	6%	2%	2%
Lushnje	100	100	100	100	1%	5%	8%	5%
Pogradec	100	100	100	100	15%	6%	4%	6%
Sarande	100	100	100	100	2%	0%	5%	14%
Shkoder	200	200	200	200	16%	3%	4%	4%
Tirana	800	800	800	800	2%	3%	3%	5%
Vlore	200	200	200	200	4%	3%	5%	9%
Total	2,800	2,800	2,800	2,800	4%	4%	5%	6%

Region	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Burgenland	220	220	440	220	7%	15%	12%	20%
Kärnten	425	425	850	425	11%	15%	13%	15%
Niederösterreich	1,242	1,242	2,484	1,242	11%	9%	11%	11%
Oberösterreich	1,089	1,089	2,178	1,089	7%	9%	7%	7%
Salzburg	408	408	816	408	12%	10%	16%	13%
Steiermark	927	927	1,854	927	13%	12%	14%	12%
Tirol	552	552	1,104	552	6%	8%	6%	10%
Vorarlberg	287	287	574	287	6%	3%	5%	9%
Wien	1,350	1,350	2,700	1,350	11%	15%	15%	16%
Total	6,500	6,500	13,000	6,500	10%	11%	12%	12%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report (c) No surveys conducted in years with blanks. Results shown in country packs for these years are estimates only based on extrapolations of empty pack survey results from the prior and following years

Sources: (1) Ipsos marketing empty pack surveys, 2021-2024; (2) Nielsen empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Belgium and Bosnia & Herzegovina results by region, 2021-24^{(1)(2)(a)}

Belgium		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Aalst		200	200	200	200	4%	20%	16%	27%
Anderlecht		240	240	240	240	15%	24%	15%	31%
Antwerp		1,100	1,100	1,100	1,100	9%	21%	18%	26%
Arlon		160	160	160	160	45%	19%	20%	28%
Bruges		240	240	240	240	9%	24%	13%	24%
Brussels		380	380	380	380	8%	20%	16%	30%
Charleroi		460	460	460	460	16%	14%	17%	30%
Genk		200	200	200	200	22%	12%	12%	33%
Ghent		500	500	500	500	7%	25%	19%	32%
Hasselt		200	200	200	200	13%	22%	18%	31%
Kortrijk		200	200	200	200	5%	22%	19%	32%
Leuven		200	200	200	200	5%	19%	25%	31%
Liege		440	440	440	440	6%	18%	21%	33%
Mechelen		200	200	200	200	7%	24%	20%	37%
Mons		200	200	200	200	5%	18%	20%	38%
Namur		240	240	240	240	15%	19%	20%	39%
Sambreville		160	160	160	160	17%	26%	23%	38%
Schaerbeek		280	280	280	280	8%	23%	25%	27%
Total		5,600	5,600	5,600	5,600	10%	21%	18%	30%


Bosnia & Herzegovina ^(c)		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Banja Luka		600	600	300	300	12%	18%	2%	5%
Bijeljina		200	200	100	100	24%	24%	28%	4%
Brcko		200	200	100	100	27%	26%	49%	13%
Mostar		200	200	100	100	19%	15%	6%	3%
Sarajevo		1,000	1,000	500	500	13%	7%	6%	2%
Tuzla		200	200	100	100	23%	9%	18%	9%
Zenica		200	200	100	100	18%	7%	23%	6%
Total		2,600	2,600	1,300	1,300	16%	11%	12%	4%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report (c) No surveys conducted in years with blanks. Results shown in country packs for these years are estimates only based on extrapolations of empty pack survey results from the prior and following years

Sources: (1) WSPM marketing empty pack surveys, 2021-2024; (2) Ipsos empty pack surveys, 2021-24

Empty pack survey results by country (cont.)

Bulgaria and Croatia results by region, 2021-24^{(1)(2)(a)}

 Bulgaria	Number of packs collected				ND incidence in empty pack survey ^(b)			
Region	2021	2022	2023	2024	2021	2022	2023	2024
Blagoevgrad	600	600	300	300	3%	2%	2%	3%
Burgas	1,332	1,332	666	666	2%	2%	3%	4%
Dobric	600	600	300	300	2%	2%	3%	2%
Gabrovo	600	600	300	300	1%	3%	2%	2%
Grad Sofia	7,056	7,056	3,528	3,528	2%	2%	2%	2%
Haskovo	1,524	1,524	762	762	1%	3%	3%	2%
Jambol	600	600	300	300	1%	3%	6%	3%
Kjustendil	-	-	-	-	-	-	-	-
Lovec	672	672	336	336	1%	3%	1%	1%
Montana	-	-	-	-	-	-	-	-
Pazardzik	600	600	300	300	4%	1%	1%	1%
Pernik	600	600	300	300	4%	1%	2%	2%
Plovdiv	2,828	2,828	1,414	1,414	3%	3%	5%	4%
Ruse	984	984	492	492	1%	3%	2%	1%
Sliven	600	600	300	300	2%	4%	2%	3%
Sumen	600	600	300	300	2%	2%	1%	2%
Varna	2,204	2,204	1,102	1,102	2%	4%	2%	2%
VelikoTarnovo	600	600	300	300	1%	3%	1%	1%
Vidin	600	600	300	300	2%	5%	3%	2%
Vratsa	600	600	300	300	3%	3%	1%	1%
Total	23,200	23,200	11,600	11,600	2%	2%	2%	2%


 Croatia	Number of packs collected				ND incidence in empty pack survey ^(b)			
Region	2021	2022	2023	2024	2021	2022	2023	2024
Osijek	193	187	187	187	3%	4%	3%	3%
Pula	132	129	129	129	8%	5%	4%	0%
Rijeka	295	267	267	267	5%	5%	1%	3%
Sesvete	124	136	136	136	2%	4%	11%	7%
Slavonski Brod	123	111	111	111	19%	19%	28%	9%
Split	384	370	370	370	3%	12%	6%	6%
Zadar	164	165	165	165	2%	1%	0%	1%
Zagreb	1,585	1,635	1,635	1,635	9%	4%	4%	8%
Total	3,000	3,000	3,000	3,000	7%	6%	5%	6%


Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Source: (1) Nielsen empty pack surveys, 2021-2024; (2) Ipsos marketing empty pack surveys, 2023-2024

Empty pack survey results by country (cont.)

Cyprus, Czech Republic and Denmark results by region, 2021-24^{(1)(2)(3)(a)}

 Cyprus	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Region								
Larnaca	150	150	150	150	17%	15%	29%	19%
Limassol	300	300	300	300	9%	18%	16%	20%
Nicosia	400	400	400	400	22%	13%	21%	33%
Paphos	150	150	150	150	8%	18%	17%	17%
Total	1,000	1,000	1,000	1,000	16%	15%	20%	25%

 Czech Republic	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Region								
Jihocesky Kraj	702	724	1,086	724	5%	3%	11%	4%
Jihomoravsky Kraj	2,099	2,148	3,222	2,148	7%	7%	11%	8%
Karlovarsky Kraj	275	300	450	300	13%	12%	15%	9%
Kralovehradecky Kraj	509	526	789	526	6%	11%	15%	15%
Liberecky Kraj	966	1,034	1,551	1,034	12%	12%	21%	36%
Moravsoslezsky Kraj	3,234	3,332	4,998	3,332	14%	22%	35%	43%
Olomoucky Kraj	1,035	1,062	1,593	1,062	8%	6%	15%	15%
Pardubicky Kraj	505	510	765	510	5%	7%	8%	18%
Plzensky Kraj	909	948	1,422	948	8%	4%	17%	6%
Praha	7,000	7,114	10,671	7,114	5%	6%	11%	12%
Stredocesky Kraj	618	636	954	636	4%	4%	10%	13%
Ustecky Kraj	1,673	1,750	2,625	1,750	12%	10%	15%	17%
Vysocina	483	496	744	496	7%	4%	8%	10%
Zlinsky Kraj	415	424	636	424	6%	6%	16%	5%
Total	20,423	21,004	31,506	21,004	8%	9%	16%	17%


 Denmark	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Region								
Capital Region	5,224	5,224	4,700	4,700	10%	9%	16%	13%
Hovedstaden	-	-	-	300	-	-	-	16%
Mid Jutland	2,022	2,022	2,000	2,000	8%	7%	19%	15%
North Jutland	844	844	1,300	1,300	13%	11%	13%	10%
South Denmark	1,910	1,910	2,000	2,300	10%	9%	16%	14%
Zealand	-	-	-	300	-	-	-	14%
Total	10,000	10,000	10,000	10,900	10%	9%	16%	14%


Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) Nielsen empty pack surveys, 2021-24; (2) Ultex empty pack surveys, 2021-2024; (3) WSPM empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Estonia and Finland results by region, 2021-24^{(1)(2)(a)}

 Estonia	Number of packs collected				ND incidence in empty pack survey ^(b)			
Region	2021	2022	2023	2024	2021	2022	2023	2024
Har	3,200	3,200	3,200	3,200	10%	17%	14%	13%
Ida	1,100	1,100	1,100	1,100	20%	15%	15%	11%
Lääne	200	200	200	200	6%	18%	18%	13%
Lvi	200	200	200	200	15%	21%	14%	10%
Pär	300	300	300	300	11%	17%	17%	9%
Saa	200	200	200	200	5%	13%	12%	12%
Tar	800	800	800	800	13%	16%	14%	10%
Val	200	200	200	200	13%	13%	18%	12%
Vil	200	200	200	200	8%	13%	20%	12%
Vör	200	200	200	200	5%	15%	12%	13%
Total	6,600	6,000	6,600	6,600	12%	16%	14%	12%


 Finland	Number of packs collected				ND incidence in empty pack survey ^(b)			
Region	2021	2022	2023	2024	2021	2022	2023	2024
Etela-Karjala	-	-	-	-	-	-	-	-
Keski-Suomi	315	315	315	315	20%	10%	17%	30%
Kymenlaakso	193	193	193	193	11%	23%	21%	24%
Lappi	-	-	-	-	-	-	-	-
Paijat-Hame	271	271	271	271	14%	12%	21%	19%
Pirkanmaa	517	517	517	517	14%	7%	17%	26%
Pohjois-Karjala	-	-	-	-	-	-	-	-
Pohjois-Savo	267	267	267	267	14%	9%	12%	24%
Prohiois-Pohianmaa	454	454	454	454	15%	10%	19%	28%
Uusimaa	2,558	2,558	2,558	2,558	17%	25%	26%	27%
Varsinais-Suomi	425	425	425	425	21%	22%	20%	24%
Total	5,000	5,000	5,000	5,000	16%	19%	22%	26%


Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) Nielsen empty pack surveys, 2021-2024; (2) WSPM empty pack survey, 2021-2024

Empty pack survey results by country (cont.)

France and Germany results by region, 2021-24^{(1)(2)(a)}

 France	Number of packs collected				ND incidence in empty pack survey ^(b)			
Region	2021	2022	2023	2024	2021	2022	2023	2024
Alsace Lorraine Champagne Ardennes	4,000	-	-	-	29%	33%	-	-
Aquitaine	2,456	4,000	-	-	29%	34%	-	-
Auvergne Limousin	1,500	4,396	-	-	23%	33%	-	-
Auvergne-Rhône-Alpes	4,760	5,760	4,320	5,760	26%	33%	40%	50%
Basse Haute Normandie	2,804	2,804	-	-	27%	33%	-	-
Bourgogne-Franche-Comté	3,200	3,040	2,280	3,040	28%	33%	42%	51%
Bretagne	3,600	3,600	2,700	3,600	25%	29%	40%	50%
Centre - Val de Loire	2,000	2,000	1,500	2,000	25%	39%	39%	52%
Grand Est	-	-	3,000	4,000	-	-	39%	51%
Hauts-de-France	-	-	3,297	4,396	-	-	41%	51%
Île-de-France	7,200	7,200	5,400	7,200	29%	33%	39%	51%
Normandie	-	-	2,103	2,804	-	-	38%	49%
Nouvelle Aquitaine	-	-	3,000	4,000	-	-	40%	52%
Occitanie	3,200	3,200	2,400	3,200	37%	33%	40%	51%
Nord Picardie	4,396	4,000	-	-	31%	35%	-	-
Pays de la Loire	3,284	2,400	1,800	2,400	21%	34%	37%	53%
Provence-Alpes-Côte d'Azur	3,600	3,600	2,700	3,600	33%	38%	40%	54%
Total	46,000	46,000	34,500	46,000	29%	34%	40%	51%


 Germany	Number of packs collected ^(c)				ND incidence in empty pack survey ^(b)			
Region	2021	2022	2023	2024	2021	2022	2023	2024
Lower Saxony	20,527	19,852	24,727	25,322	7%	10%	10%	9%
North Rhine-Westphalia	26,070	26,338	29,905	33,227	8%	10%	11%	11%
Rhineland-Palatinate	15,051	16,551	30,870	34,749	10%	13%	13%	14%
Baden-Württemberg	14,651	14,729	25,980	30,956	9%	11%	10%	11%
Bavaria	18,656	18,389	-	-	16%	19%	-	-
Berlin	-	6,875	2,393	-		42%	28%	
Brandenburg	16,072	8,914	16,235	24,038	30%	35%	38%	40%
Saxony	8,972	8,302	15,711	15,362	28%	34%	29%	31%
Bayern	-	-	30,836	35,300	-	-	17%	18%
Schleswig-Holstein	-	-	4,934	-	-	-	0%	-
Total	120,000	120,000	181,591	198,954	14%	15%	16%	17%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report (c) Results for this year based on empty pack survey. This is different from the yellow bag survey results shared till last year

Sources: (1) WSPM empty pack surveys, 2021-2024 (2) Ipsos Empty Pack Survey, 2023-2024

Empty pack survey results by country (cont.)

Greece results by region, 2021-24^{(1)(a)}


 Greece	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Attica	6,900	6,900	4,600	4,600	28%	23%	28%	21%
Central Greece	600	600	400	400	20%	22%	21%	19%
Central Macedonia	3,600	3,600	2,400	2,400	25%	23%	24%	20%
Crete	1,500	1,500	1,000	1,000	25%	23%	25%	18%
East Macedonia/Thrace	-	-	-	-	-	-	-	-
Epirus	600	600	400	400	20%	25%	20%	18%
Ionian Islands	600	600	400	400	17%	18%	20%	20%
South Aegean	600	600	400	400	20%	21%	23%	19%
Thessaly	1,800	1,800	1,200	1,200	27%	20%	20%	19%
West Greece	1,800	1,800	1,200	1,200	19%	23%	29%	18%
West Macedonia	-	-	-	-	-	-	-	-
Total	18,000	18,000	12,000	12,000	25%	22%	25%	20%


Note: (a) Only base survey data in the empty pack surveys/ yellow bag surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey/ yellow bag survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) Nielsen empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Hungary and Ireland results by region, 2021-24^{(1)(2)(a)(c)}

 Hungary ^(c)	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Bács-Kiskun	775	775	724	1,098	6%	8%	12%	14%
Baranya	645	605	597	702	5%	9%	11%	13%
Békés	555	555	481	810	5%	11%	12%	15%
Borsod-Abaúj-Zemplén	850	790	774	1,648	12%	12%	18%	19%
Budapest	6,250	6,250	6,870	8,082	5%	12%	14%	16%
Csongrád	900	900	844	1,486	6%	10%	13%	16%
Fejér	640	640	567	668	4%	10%	10%	14%
Gyor-Moson-Sopron	934	975	886	1,042	5%	8%	12%	16%
Hajdú-Bihar	990	990	949	1,366	8%	13%	19%	17%
Heves	390	390	325	382	10%	15%	16%	15%
Jász-Nagykun-Szolnok	315	315	281	576	6%	12%	13%	16%
Komárom-Esztergom	440	440	399	470	7%	8%	10%	16%
Nógrád	165	165	138	162	10%	12%	22%	15%
Pest	1,235	1,295	1,212	1,426	5%	10%	9%	15%
Somogy	285	285	254	546	5%	11%	7%	12%
Szabolcs-Szatmár-Bereg	485	485	495	1,320	9%	13%	19%	22%
Tolna	145	145	128	150	5%	7%	9%	10%
Vas	335	335	314	370	4%	7%	9%	14%
Veszprém	417	415	344	404	5%	6%	10%	12%
Zala	490	490	418	492	6%	7%	7%	15%
Total	17,241	17,240	17,000	23,200	6%	11%	13%	16%

 Ireland	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Connacht	400	400	400	400	25%	34%	47%	47%
Leinster	3,225	3,225	3,225	3,225	20%	38%	43%	48%
Munster	1,275	1,275	1,275	1,275	19%	34%	43%	49%
Ulster	100	100	100	100	21%	22%	48%	38%
Total	5,000	5,000	5,000	5,000	22%	20%	44%	48%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report; (c) 2024 includes 13 new cities

Sources: (1) GfK CPS empty pack survey, 2024; (2) WSPM empty pack surveys, 2021-24

Empty pack survey results by country (cont.)

Italy, Kosovo and Latvia results by region, 2021-24^{(1)(2)(a)}

Italy		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Abruzzo		720	720	720	720	1%	1%	1%	3%
Calabria		880	880	880	880	1%	1%	1%	2%
Campania		3,720	3,720	3,720	3,720	11%	8%	9%	10%
Emilia Romagna		3,880	3,880	3,880	3,880	2%	3%	2%	3%
Friuli Venezia Giulia		640	640	640	640	26%	35%	20%	29%
Lazio		7,320	7,320	7,320	7,320	1%	1%	1%	2%
Liguria		1,680	1,680	1,680	1,680	1%	2%	2%	1%
Lombardia		4,480	4,480	4,480	4,480	3%	3%	4%	4%
Marche		600	600	600	600	2%	2%	1%	2%
Piemonte		2,920	2,920	2,920	2,920	1%	2%	3%	3%
Puglia		2,960	2,960	2,960	2,960	3%	3%	3%	3%
Sicilia		4,840	4,840	4,840	4,840	1%	2%	2%	2%
Toscana		1,920	1,920	1,920	1,920	1%	1%	1%	1%
Trentino Alto Adige		400	400	400	400	6%	4%	3%	1%
Umbria		720	720	720	720	1%	1%	0%	1%
Veneto		2,320	2,320	2,320	2,320	2%	1%	3%	2%
Total		40,000	40,000	40,000	40,000	3%	3%	3%	4%

Kosovo ^(c)		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Dakovica		159	-	159	159	1%	-	3%	14%
Gnjilane		211	-	211	211	3%	-	0%	1%
Mitrovica		180	-	180	180	5%	-	3%	2%
Pec		190	-	190	190	3%	-	4%	5%
Pristina		563	-	563	563	3%	-	2%	2%
Prizren		331	-	331	331	2%	-	3%	3%
Urosevac		166	-	166	166	3%	-	1%	3%
Total		1,800	-	1,800	1,800	3%	-	2%	4%

Latvia		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Kurzeme		1,200	1,200	600	600	14%	14%	14%	14%
Latgale		1,400	1,400	700	700	32%	29%	32%	40%
Pieriga		1,400	1,400	700	700	15%	14%	15%	16%
Riga		4,000	4,000	2,000	2,000	15%	16%	13%	17%
Vidzeme		800	800	400	400	21%	15%	8%	16%
Zemgale		1,000	1,000	500	500	13%	11%	10%	17%
Total		9,800	9,800	4,900	4,900	17%	17%	15%	19%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report (c) No surveys conducted in years with blanks. Results shown in country packs for these years are estimates only based on extrapolations of empty pack survey results from the prior and following years

Sources: (1) Ipsos empty pack surveys, 2021-2024; (2) Nielsen empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Lithuania, Luxembourg and Malta results by region, 2021-24^{(1)(2)(a)}

Lithuania		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Alytus		600	600	300	300	24%	23%	25%	32%
Kaunas		2,800	2,800	1,400	1,400	21%	27%	26%	28%
Klaipeda		1,600	1,600	800	800	20%	18%	14%	19%
Marijampole		400	400	200	200	19%	26%	23%	35%
Panevezys		600	600	300	300	24%	23%	29%	36%
Siauliai		800	800	400	400	19%	18%	16%	10%
Taurage		200	200	100	100	23%	26%	18%	32%
Telsiai		800	800	400	400	19%	19%	19%	22%
Utena		600	600	300	300	14%	18%	13%	30%
Vilnius		3,200	3,200	1,600	1,600	21%	22%	24%	29%
Total		11,600	11,600	5,800	5,800	21%	22%	22%	27%

Luxembourg		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Esch-Sur-Alzette		160	320	160	160	6%	18%	19%	12%
Luxembourg		240	480	240	240	6%	16%	13%	17%
Total		400	800	400	400	6%	17%	15%	15%

Malta		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Northern		350	350	450	450	12%	11%	10%	9%
Northern Harbour		550	550	450	450	11%	12%	9%	11%
Southern Harbour		100	100	100	100	10%	11%	14%	17%
Total		1,000	1,000	1,000	1,000	12%	11%	10%	11%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) Nielsen Empty pack surveys, 2021-2024; (2) WSPM empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Montenegro, Netherlands and North Macedonia results by region, 2021-24^{(1)(2)(a)}

Montenegro		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Bijelo Polje		100	100	100	100	38%	24%	11%	3%
Niksic		300	300	300	300	39%	27%	12%	34%
Pljevlja		100	100	100	100	36%	34%	13%	5%
Podgorica		500	500	500	500	27%	26%	9%	5%
Total		1,000	1,000	1,000	1,000	32%	27%	10%	12%

Netherlands		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Drenthe		202	202	202	202	26%	18%	11%	36%
Flevoland		504	504	504	504	23%	15%	23%	45%
Friesland		332	332	332	332	28%	17%	15%	37%
Gelderland		1,084	1,084	1,084	1,084	27%	10%	16%	41%
Groningen		364	364	364	364	17%	24%	25%	36%
Limburg		752	752	752	752	45%	15%	19%	42%
North Brabant		1,860	1,860	1,860	1,860	40%	14%	18%	40%
North Holland		3,090	3,090	3,090	3,090	21%	18%	26%	40%
Overijssel		992	992	992	992	29%	12%	22%	39%
South Holland		3,994	3,944	3,944	3,944	24%	15%	22%	37%
Utrecht		876	876	876	876	25%	11%	22%	38%
Total		14,000	14,000	14,000	14,000	27%	15%	22%	39%

North Macedonia ^(c)		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
East		80	80	80	80	3%	3%	0%	3%
North-East		100	100	100	100	3%	5%	8%	3%
Pelagonia		200	200	200	200	2%	2%	6%	6%
Polog		180	180	180	180	8%	4%	6%	11%
Skopje		400	400	400	400	2%	2%	3%	7%
South-East		80	80	80	80	1%	4%	9%	10%
South-West		80	80	80	80	5%	6%	3%	1%
Vardar		80	80	80	80	3%	3%	1%	6%
Total		1,200	1,200	1,200	1,200	3%	3%	4%	6%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report (c) No surveys conducted in years with blanks. Results shown in country packs for these years are estimates only based on extrapolations of empty pack survey results from the prior and following years

Sources: (1) Ipsos empty pack surveys, 2021-2024; (2) WSPM empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Norway, Poland and Portugal results by region, 2021-24^{(1)(2)(3)(a)}

Norway		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Akershus		376	376	376	376	20%	34%	30%	31%
Hordaland		866	866	866	866	14%	36%	39%	43%
Oslo		2,012	2,012	2,012	2,012	29%	35%	38%	40%
Ostfold		248	248	248	248	23%	36%	37%	39%
Rogaland		419	419	419	419	19%	36%	37%	33%
Sor-Trondelag		579	579	579	579	20%	36%	42%	37%
Vest-Adger		273	227	227	273	16%	35%	39%	30%
Troms		227	273	273	227	8%	39%	21%	52%
Total		5,000	5,000	5,000	5,000	22%	35%	37%	39%

Poland ^(c)		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Dolnoslaskie		4,000	4,000	3,000	3,900	4%	5%	5%	6%
Kujawsko-Pomorskie		3,700	3,700	2,775	2,775	4%	4%	3%	4%
Lodzkie		3,300	3,300	2,475	3,375	8%	7%	6%	6%
Lubelskie		1,600	1,600	1,200	2,550	4%	3%	3%	3%
Lubuskie		1,200	1,200	900	1,350	3%	2%	2%	2%
Malopolskie		3,900	3,900	2,925	2,925	5%	5%	5%	3%
Mazowieckie		9,000	9,000	6,750	8,100	8%	8%	6%	8%
Opolskie		600	600	450	1,800	3%	2%	2%	2%
Podkarpackie		800	800	600	2,850	10%	7%	4%	3%
Podlaskie		1,300	1,300	975	1,425	16%	15%	13%	11%
Pomorskie		3,100	3,100	2,325	2,325	3%	2%	2%	2%
Slaskie		9,800	9,800	7,350	7,350	5%	5%	5%	5%
Swietokrzyskie		900	900	675	1,575	2%	3%	1%	4%
Warminsko-Mazurskie		1,400	1,400	1,050	2,400	7%	5%	4%	7%
Wielkopolskie		3,000	3,000	2,250	4,050	3%	4%	5%	4%
Zachodniopomorskie		2,400	2,400	1,800	2,250	2%	3%	2%	3%
Total		50,000	50,000	37,500	51,000	6%	5%	5%	5%

Portugal		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Center		200	200	200	200	0%	0%	1%	0%
Lisboa		1,900	1,900	1,900	1,900	3%	2%	3%	4%
North		900	900	900	900	16%	4%	7%	3%
Total		3,000	3,000	3,000	3,000	7%	3%	5%	3%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report ; (c) 2024 includes 30 new cities

Sources: (1) WSPM Group empty pack surveys, 2021-2024; (2) Almares Research empty pack surveys, 2021-2024; (3) Ipsos empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Romania and Serbia results by region, 2021-24^{(1)(2)(a)}

Romania		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Bucharest		1,078	1,467	1,259	1,115	4%	5%	6%	7%
Caras-Severin		154	258	156	219	6%	8%	8%	19%
Center		1,008	1,504	1,292	1,282	1%	1%	2%	2%
North-East		1,883	2,761	1,964	2,028	23%	21%	24%	21%
North-West		1,430	2,215	1,841	1,732	12%	7%	8%	6%
Satu Mare		1,410	-	-	-	4%	-	-	-
South		1,410	2,044	1,682	1,955	7%	4%	6%	7%
South-East		1,250	1,991	1,682	1,450	6%	6%	6%	6%
South-West		1,065	1,593	1,262	1,365	11%	6%	5%	8%
West		771	1,243	963	912	4%	6%	7%	6%
Total		10,049	15,076	12,101	12,058	9%	7%	8%	8%

Serbia ^(c)		Number of packs collected				ND incidence in empty pack survey ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Belgrade		1,000	1,000	1,000	1,000	2%	3%	3%	5%
Cacak		100	100	100	100	2%	4%	2%	4%
Kragujevac		200	200	200	200	2%	3%	2%	7%
Kraljevo		100	100	100	100	3%		12%	6%
Krusevac		100	100	100	100	2%	2%	6%	7%
Leskovac		100	100	100	100	2%	4%	3%	1%
Nis		200	200	200	200	0%	2%	3%	9%
Novi Pazar		100	100	100	100	1%	1%	3%	7%
Novi Sad		200	200	200	200	2%	1%	4%	1%
Pancevo		100	100	100	100	6%	7%	0%	4%
Smederevo		100	100	100	100	7%	1%	0%	0%
Subotica		100	100	100	100	0%	1%	11%	4%
Valjevo		100	100	100	100	2%	2%	1%	0%
Vranje		100	100	100	100	1%	2%	3%	2%
Zrenjanin		100	100	100	100	0%	0%	4%	3%
Total		2,700	2,700	2,700	2,700	2%	3%	4%	5%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report (c) No surveys conducted in years with blanks. Results shown in country packs for these years are estimates only based on extrapolations of empty pack survey results from the prior and following years

Sources: (1) Novel Study, 2021-2024; (2) Ipsos empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Slovakia and Slovenia results by region, 2021-24^{(1)(2)(a)}

 Slovakia	Number of packs collected				ND incidence in empty pack survey ^(b)			
Region	2021	2022	2023	2024	2021	2022	2023	2024
Banskobystricky Kraj	450	450	450	450	3%	1%	7%	4%
Bratislavsky Kraj	1,200	1,200	1,200	1,200	2%	2%	5%	7%
Kosicky Kraj	800	800	800	800	5%	7%	9%	9%
Nitriansky Kraj	650	650	650	650	7%	5%	7%	11%
Presovsky Kraj	600	600	600	600	8%	5%	6%	12%
Trenciansky Kraj	400	400	400	400	4%	7%	6%	7%
Trnavsky Kraj	300	300	300	300	3%	5%	14%	6%
Zilinsky Kraj	600	600	600	600	4%	2%	3%	4%
Total	5,000	5,000	5,000	5,000	4%	4%	6%	8%


 Slovenia	Number of packs collected				ND incidence in empty pack survey ^(b)			
Region	2021	2022	2023	2024	2021	2022	2023	2024
Celje	210	210	210	210	9%	6%	6%	10%
Koper	139	139	139	139	22%	22%	14%	16%
Kranj	208	208	208	208	25%	9%	7%	6%
Ljubljana	1,539	1,539	1,539	1,539	9%	5%	16%	11%
Maribor	531	531	531	531	22%	8%	28%	18%
Novo Mesto	130	130	130	130	19%	15%	8%	12%
Ptuj	101	101	101	101	18%	4%	18%	12%
Velenje	142	142	142	142	17%	5%	17%	1%
Total	3,000	3,000	3,000	3,000	14%	7%	16%	12%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) Nielsen empty pack surveys, 2021-2024; (2) WSPM empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Spain results by region, 2021-24^{(1)(2)(a)}

 Spain	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Andalucia	5,176	5,176	5,176	5,176	32%	20%	15%	19%
Aragon	1,170	1,170	1,170	1,170	1%	1%	2%	2%
Asturias	858	858	858	858	1%	3%	3%	3%
Basque Country	1,534	1,534	1,534	1,534	2%	3%	3%	2%
Cantabria	304	304	304	304	2%	3%	1%	2%
CastillaY Leon	1,320	1,320	1,320	1,320	6%	2%	1%	3%
Castilla-La Mancha	296	296	296	296	12%	1%	0%	1%
Catalonia	5,394	5,394	5,394	5,394	3%	3%	4%	5%
Comunidad Valenciana	2,842	2,842	2,842	2,842	1%	2%	2%	2%
Extremadura	258	258	258	258	25%	8%	18%	15%
Galicia	1,130	1,130	1,130	1,130	2%	5%	3%	4%
La Rioja	262	262	262	262	0%	1%	0%	0%
Madrid	7,992	7,992	7,992	7,992	4%	4%	4%	4%
Murcia	1,126	1,126	1,126	1,126	2%	2%	2%	2%
Navarra	338	338	338	338	2%	0%	1%	2%
Total	30,000	30,000	30,000	30,000	8%	6%	5%	6%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) Ipsos empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

Sweden results by region, 2021-24^{(1)(2)(a)}

Region	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Blekinge	150	150	150	150	9%	18%	12%	11%
Dalarna	150	150	150	150	19%	7%	9%	12%
Gastrikland	190	190	200	200	6%	7%	6%	14%
Halland	304	304	350	350	11%	10%	10%	15%
Jönköping	233	233	300	300	10%	15%	13%	15%
Kronoberg	154	154	200	200	12%	8%	11%	15%
Norrbotten	150	150	150	150	5%	6%	7%	9%
Örebro	272	272	300	300	6%	7%	12%	10%
Östergötland	500	500	550	550	14%	14%	10%	11%
Skåne	1,101	1,101	1,250	1,250	12%	18%	13%	11%
Smaland	150	150	150	150	9%	10%	11%	8%
Södermanland	316	316	350	350	10%	12%	12%	11%
Stockholm	3,284	3,284	2,700	2,700	7%	10%	10%	21%
Uppsala	355	355	500	500	6%	9%	10%	9%
Värmland	162	162	200	200	9%	7%	6%	12%
Västerbotten	359	359	400	400	6%	8%	18%	11%
Västernorrland	150	150	200	200	5%	14%	7%	10%
Västmanland	296	296	300	300	7%	10%	9%	20%
Västra Götaland	1,724	1,724	1,600	1,600	11%	10%	11%	10%
Total	10,000	10,000	10,000	10,000	9%	11%	11%	14%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) Global Vox Populi empty pack surveys, 2020-2022; (2) WSPM empty pack surveys, 2023-2024

Empty pack survey results by country (cont.)

Switzerland results by region, 2021-24^{(1)(a)}


Region	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Basel	400	400	400	400	11%	5%	9%	22%
Bern	900	900	900	900	6%	5%	10%	8%
Biel	-	-	-	-	-	-	-	-
Chur	-	-	-	-	-	-	-	-
Fribourg	200	200	200	200	11%	6%	9%	12%
Geneva	700	700	700	700	14%	11%	19%	17%
Grisons	200	200	200	200	8%	7%	13%	10%
Jura	-	-	-	-	-	-	-	-
Koniz	-	-	-	-	-	-	-	-
La Chaux De Fonds	-	-	-	-	-	-	-	-
Lausanne	-	-	-	-	-	-	-	-
Lugano	-	-	-	-	-	-	-	-
Luzern	200	200	200	200	7%	6%	14%	9%
Neuchatel	400	400	400	400	11%	9%	12%	8%
Schaffhausen	200	200	200	200	8%	10%	13%	17%
Sion	-	-	-	-	-	-	-	-
St Gallen	200	200	200	200	9%	7%	14%	11%
Thun	-	-	-	-	-	-	-	-
Thurgau	-	-	-	-	-	-	-	-
Ticino	200	200	200	200	10%	12%	28%	23%
Uster	-	-	-	-	-	-	-	-
Valais	200	200	200	200	7%	9%	12%	10%
Vaud	300	200	300	300	7%	7%	12%	12%
Vernier	-	-	-	-	-	-	-	-
Winterthur	-	-	-	-	-	-	-	-
Zurich	1,500	1,500	1,500	1,500	8%	8%	12%	11%
Total	5,600	5,600	5,600	5,600	9%	8%	13%	13%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) WSPM empty pack surveys, 2021-2024

Empty pack survey results by country (cont.)

UK results by region, 2021-24^{(1)(2)(a)}

 UK	Number of packs collected				ND incidence in empty pack survey ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
East Midlands	2,000	2,000	1,000	1,000	25%	23%	35%	41%
East of England	2,200	2,200	1,100	1,100	23%	28%	35%	41%
London	3,000	3,000	1,500	1,500	17%	26%	37%	38%
North East England	1,000	1,000	500	500	38%	41%	35%	38%
North West England	2,598	2,598	1,299	1,299	22%	30%	36%	34%
Northern Ireland	1,000	1,000	500	500	20%	22%	35%	36%
Scotland	2,198	2,198	1,099	1,099	20%	33%	44%	40%
South East England	4,002	4,002	2,001	2,001	19%	25%	34%	35%
South West England	1,800	1,800	900	900	18%	27%	32%	33%
Wales	1,400	1,400	700	700	12%	23%	29%	31%
West Midlands	2,402	2,402	1,201	1,201	26%	28%	38%	49%
Yorkshire and The Humber	1,800	1,800	900	900	32%	34%	38%	40%
Total	25,400	25,400	12,700	12,700	22%	18%	36%	38%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the empty pack survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report

Sources: (1) MS Intelligence empty pack surveys, 2020; (2) Ipsos empty pack surveys, 2021-2024

Pack swap results by country

Moldova results by region, 2021-24^{(1)(a)(c)}


Moldova		Number of pack swaps				ND incidence in pack swaps ^(b)			
Region		2021	2022	2023	2024	2021	2022	2023	2024
Anenii Noi		35	39	33	33	0%	4%	11%	0%
Mun. Bălți		73	77	78	82	0%	1%	1%	2%
Briceni		34	33	35	37	13%	14%	21%	6%
Basarabeasca		14	13	14	14	5%	9%	42%	0%
Mun. Chișinău		335	336	334	343	2%	4%	4%	3%
Cahul		54	54	53	52	1%	10%	1%	2%
Călărași		32	32	34	32	2%	5%	28%	0%
Cimișlia		25	26	24	27	0%	6%	30%	4%
Criuleni		31	32	27	33	0%	3%	19%	6%
Căușeni		40	43	41	40	0%	3%	11%	0%
Cantemir		22	21	22	22	0%	20%	9%	5%
Dubasari		10	12	10	10	0%	0%	26%	0%
Dondușeni		17	16	22	16	0%	24%	15%	0%
Drochia		36	33	34	33	4%	17%	35%	0%
Edineț		34	35	35	35	6%	15%	18%	0%
Fălești		35	33	39	37	0%	15%	25%	2%
Florești		42	38	37	38	5%	10%	12%	0%
Glodeni		23	21	26	25	5%	19%	16%	0%
Hâncești		48	48	49	47	0%	4%	10%	0%
Ialoveni		48	44	45	57	0%	3%	5%	2%
Leova		24	22	22	34	0%	3%	16%	0%
Nisporeni		28	28	28	30	0%	14%	29%	0%
Ocnîța		24	23	20	25	2%	25%	28%	0%
Orhei		56	59	54	65	3%	0%	0%	0%
Râșcani		28	29	28	28	9%	2%	0%	0%
Rezina		24	30	24	23	0%	1%	21%	0%
Șoldănești		24	21	21	21	7%	0%	11%	0%
Sângerei		37	37	39	37	0%	9%	4%	0%
Soroca		41	40	39	40	0%	14%	9%	0%
Strășeni		46	46	46	45	1%	6%	11%	0%
Ștefan Vodă		27	33	29	27	0%	12%	7%	0%
Telenești		28	22	29	28	4%	0%	16%	0%
Taraclia		22	21	23	22	8%	13%	11%	4%
Ungheni		66	66	66	66	6%	5%	21%	0%
UTA Găgăuzia		71	69	70	74	2%	15%	17%	3%
Total		1,534	1,532	1,530	1,578	2%	7%	12%	1%

Note: (a) Only base survey data in the empty pack surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the pack swap survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report (c) In 2021, Moldova switched from a PMI-commissioned empty pack survey to pack swap surveys commissioned by Big-4 industry participants. Therefore, given the change in methodology, only pack swap results for 2021-24 are shown

Sources: (1) Ipsos Pack Swaps, 2021-2024

Pack swap results by country (cont.)

Ukraine results by region, 2021-24^{(1)(a)(c)}

 Ukraine	Number of pack swaps				C&C incidence in pack swaps ^(b)			
	2021	2022	2023	2024	2021	2022	2023	2024
Cherkas`ka	1,071	224	362	467	8%	12%	16%	10%
Chernihivs`ka	302	98	265	328	4%	8%	8%	9%
Chernivets`ka	298	157	291	407	18%	17%	28%	13%
Dnipropetrovs`ka	1,256	552	796	1,200	18%	38%	38%	34%
Donets`ka	695	-	-	-	23%	-	-	-
Ivano-Frankivs`ka	451	258	490	570	6%	4%	9%	6%
Kharkivs`ka	1,072	266	478	701	24%	26%	32%	28%
Khersons`ka	392	-	-	2	20%	0%	-	0%
Khmelnys`ka	368	213	405	567	27%	32%	32%	26%
Kiev	548	608	820	1,190	15%	12%	9%	9%
Kirovohrads`ka	453	155	286	406	4%	30%	37%	14%
Kyivs`ka	453	290	431	596	6%	20%	15%	13%
Luhans`ka	231	-	-	-	28%	-	-	-
Lvivs`ka	911	513	824	1,116	14%	13%	20%	12%
Mykolayivs`ka	421	-	106	164	13%	-	-	6%
Odes`ka	1034	408	557	743	25%	33%	39%	30%
Poltavs`ka	365	209	383	556	8%	18%	19%	10%
Rivnens`ka	405	193	357	366	15%	25%	27%	20%
Sums`ka	222	179	229	286	25%	12%	15%	15%
Ternopils`ka	250	147	307	359	11%	24%	15%	10%
Vinnys`ka	289	299	481	571	11%	13%	10%	10%
Volyns`ka	285	145	328	348	2%	1%	1%	3%
Zakarpats`ka	476	245	366	442	9%	14%	5%	3%
Zaporiz`ska	526	92	131	159	24%	17%	23%	13%
Zhytomyrs`ka	444	267	294	456	7%	1%	4%	2%
Total ^(d)	13,200	5,527	9,000	12,000	16%	19%	20%	15%

Note: (a) Only base survey data in the pack sap surveys have been summarised in the tables, i.e. 'focus' samples designed to investigate specific issues have been excluded as they do not form part of the national statistically representative sample; (b) ND incidence listed in this table is based on the number of Non-Domestic packs collected in the pack swap survey. It doesn't account for differences due to country and brand adjustments made as a part of this study. Therefore, this incidence may differ from the ND incidence stated elsewhere in this Report (c) Pack swap survey data for Ukraine does not contain information regarding the origin of packs collected. Therefore, inflows to Ukraine have not been broken down by origin and ND(L) inflows cannot be estimated and therefore all ND incidence is C&C incidence (d) C&C incidence at the regional level has been calculated using the total number of pack swaps in Ukraine multiplied by regional incidence of DP and DNP packs. Due to rounding in regional figures, sum of all regional packs may differ from the total number of pack swaps undertaken in Ukraine

Sources: (1) Kantar Pack Swaps, 2021-2024

Sources

Data sources

The sources listed below are those used only in this year’s analysis and reporting. Sources for analysis and findings for previous years can be found in previous year reports.

Sources
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Empty packs surveys, Independent agencies for 38 markets in study, 2020-2024
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Frontier workers by nationality, Department of Employment, HM Government of Gibraltar, 2024
Inbound Arrivals and Outbound Departures, Euromonitor: Travel; Number of Trips, 2020-2024
Inbound Arrivals, National Statistics Bureau Ukraine, Ukraine, 2017
KPMG analysis of UNWTO and other sources for traveller data
KPMG European Flows Calculation 2024
KPMG European Flows Calculation 2020-2024 and analysis of data sources provided by manufacturers
KPMG interviews with law enforcement
Land frontier visitor arrivals, Borders and Coast Guard Agency, HM Government of Gibraltar, 2024
Number of Polish Visitors to the UK by Gender, ONS 2022
Pack Swap Surveys, Independent agencies for 2 markets in study, 2020-2024
Passenger car ownership, Eurostat, 2024
Population by department, sex and major age group, The National Institute of Statistics and Economic Studies, France, 2024
Population 18+, Euromonitor: Total Population; Socio-economic indicators, 2024

Sources (cont.)

Data sources

The sources listed below are those used only in this year's analysis and reporting. Sources for analysis and findings for previous years can be found in previous year reports.

Sources
Population 18+, UNICEF, 2024
Prices and tax rates, EC Excise Duty Tables, 2024
Prices, Euromonitor: Tobacco; Calculated based on Retail Value RSP and Retail Volume estimates, 2020-2024
Prices, European Commission, Taxes in Europe Database v3
Prices, Pack of 20 cigarettes of the most sold brands, WHO 2022
Smoking population – number of adult smokers, Euromonitor: Tobacco 2025 Edition, 2024
Tax rate and WAP, GFIS systems as on December 2024
Tobacco brought back from Algeria to France by travellers of direct flights, Kantar TNS for Philip Morris France, May 2018
Tobacco sales, Customs Authority of Bulgaria, 2024
Tobacco sales, State Revenue Service of Latvia, 2024
Tourism statistics (Inbound and Outbound arrivals), Euromonitor: Travel; Number of Trips, 2020-2024
Tourism statistics, ISTAC, Canary Islands Government, 2024
Guests in tourist accommodation establishments by geographic localisation and place of residence, Annual, Statistics Portugal
UNWTO Factbook
Volume- and value-based customs and tax allowances, General Directorate of Customs and Indirect Taxes, France, 2024

Scope of work

Estimating the size, nature and financial impact (i.e., equivalent tax value) of illicit consumption of cigarettes in the EU27, the UK, Norway, Switzerland, Moldova, Ukraine, Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia and Kosovo for the calendar year 2024

Methodology and Reporting

1. The purpose of the study is to consider and comment on:

- a) the estimated size and composition of the total cigarette market (including counterfeit and contraband products), for each of the 27 EU member states, the UK, Norway, Switzerland, Moldova, Ukraine, Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia and Kosovo for 2024

2. The Contractor will prepare a Report which will be provided in PDF format which covers the results of the analysis undertaken as set out below:

- a) The findings from the work on the 38 markets will be used both individually and to produce a summary covering an overall view of the total market for Europe (with the UK, Norway, Switzerland, Moldova, Ukraine, Albania, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia and Kosovo to be included in any individual country figures quoted), and an analysis of sources of illicit manufactured cigarettes, including reference to specific source countries and free trade zones where appropriate. The Contractor will also provide a section in the Report on counterfeit and contraband flows for each of the 38 markets.
- b) Each market section will consist of the equivalent of four pages if printed and will include a table detailing total manufactured cigarette consumption from 2020 to 2024, along with charts showing the Non-Domestic Legal (ND(L)) and Counterfeit & Contraband (C&C) volumes by source country and by brand. The commentary will be brief and factual and will source publicly available data on tobacco prices, traveller data and total tobacco consumption where relevant. The commentary will also source other quantitative and qualitative research and analysis as deemed necessary, for example to in relation to trends in C&C.
- c) The Contractor's analysis of the cigarette market will be based on a methodology that incorporates primary research, market analysis, existing industry surveys and other sources of data.
- For each of the 38 markets, the Contractor will use in-market cigarette sales data provided by PMPSA to estimate Legal Domestic Sales and estimate Legal Domestic Consumption by subtracting outflows to other markets based on the results of Empty Pack Surveys provided by PMPSA.
- The Contractor will analyse the results of the Empty Pack Surveys to estimate the level of Non-Domestic cigarette inflows for each market, which will then be added to Legal Domestic Consumption to estimate Total Consumption.
- Using publicly available data, the Contractor will analyse tourism flows, smoking incidence, cigarette purchase limits for travellers and border sales data to estimate the proportion of Non-Domestic inflows that could be considered to be legal, and as a direct result provide an estimate of the level of counterfeit and contraband for each of the 38 markets.
- The steps above will be undertaken to simultaneously analyse the inflows and outflows between all of the 38 markets using Excel and Alteryx analytical tools, which have been specifically developed for this purpose by the Contractor and are consistent with those used in previous engagements for the Client, using the data sources above.
- Additional data sources may be used to refine the Contractor's analysis.

Scope of work (cont.)

- The Contractor will request meetings or interviews with Law Enforcement representatives to discuss the Contractor's initial findings and other relevant information regarding illicit cigarette consumption. Where Law Enforcement representatives agree to participate in such meetings or interviews the Contractor will, where appropriate, include in the Report, with their permission, a high-level aggregated summary of trends in illicit consumption that they have highlighted.
- The Contractor will set out the estimation process in detail in a methodology section in the Report.
- The Contractor will also conduct analysis on illicit whites. This will be reported in the consolidated section of the Report.



06



Appendices – Heated tobacco

Limitations of Results

Source	Limitation
Counterfeit in consumer surveys	<p>Consumer survey results do not identify Counterfeit packs</p> <p>As no physical pack is collected on which to undertake forensic analysis it is not possible to identify Counterfeit volumes in the consumer surveys. As a result, it is possible that total consumption is understated for the markets where our estimates are based on consumer surveys</p> <ul style="list-style-type: none"> However, no Counterfeit has been identified in the packs collected for those markets where an empty pack survey has been carried out, indicating that heated tobacco counterfeiting is likely to be a rare phenomenon and therefore the impact is likely to be minimal
Outflows to markets not included in the Report	<p>In order to estimate consumption, we have assumed no outflows of LDS outside of the 10 countries of study</p> <ul style="list-style-type: none"> Excluding the UK, the 9 markets in this Report account for 82% of EU Legal Domestic Sales (LDS)^{(1)(a)} of heated tobacco, indicating that the EU markets included in this Report account for the majority of EU heated tobacco consumption and therefore that outflows to other EU markets in this Report will be significantly smaller Excluding the UK (which is covered within the scope of this Report), discussions with PMPSA market teams and non-EU empty pack survey data provided by PMPSA indicate non-EU LDS outflows are not material. This is because of the high prices in the EU relative to other parts of the world and Duty-Free import restrictions. Nonetheless, outflows are likely to be understated
Consumer surveys	<p>The consumer survey is designed by third party market research agencies and is weighted by location, age and gender to be representative of the national population</p> <p>Although the consumer survey is designed to be nationally representative of the population, there are certain limitations associated with consumer surveys, such as:</p> <ul style="list-style-type: none"> Information obtained from a consumer survey is based on a sample rather than the entire population and therefore data is subject to sampling variability <p>In addition, there are limitations to using a consumer survey to estimate heated tobacco consumption</p> <ul style="list-style-type: none"> Consumer surveys have historically under-reported tobacco product consumption, especially in countries where it has become increasingly socially less acceptable <p>For the purposes of this Report, only registered IQOS users for Germany and UK were sampled as part of the consumer surveys</p> <ul style="list-style-type: none"> Although IQOS users represent the majority of heated tobacco consumption in the markets included in this Report, purchase and consumption behaviours of non-IQOS users may differ. We have not been able to ascertain the impact of this in all the in-scope countries

Notes: (a) Based on available 2024 LDS of 23 EU markets
Sources: (1) In Market Sales (IMS) data provided by PMPSA

Limitations of Results (cont.)

Source	Limitation
Heated tobacco Prevalence	<p>Heated tobacco user prevalence data is used to estimate the number of travellers that are heated tobacco consumers</p> <p>Heated tobacco user prevalence data, sourced from PMPSA, is available for the 10 countries in which we estimate heated tobacco consumption within this Report, as well as EU and a number of non-EU European markets. However, this data is not available for all countries</p> <p>For inbound non-resident traveller flows to the 10 heated tobacco markets included in this Report where the source market prevalence data is not available, the prevalence in the destination country has been used instead of that of the country of departure</p> <ul style="list-style-type: none"> This may over or underestimate ND(L), however, given the majority of inflows are between markets where prevalence data exists for both markets, the impact of this assumption is likely to be small
Heated tobacco Weighted Average Price (WAP)	<p>The PMPSA-provided WAP price data for heated tobacco is available for EU countries and 35 Non-EU markets</p> <p>Where EU or Non-EU prices were not available Euromonitor prices have been used, and where Euromonitor prices were also not available, then we have assumed that a price incentive exists (i.e. these source markets are cheaper than the markets in the Report) resulting in ND(L) volumes from these markets.</p> <ul style="list-style-type: none"> This may overestimate ND(L), however, given WAP prices exist for the majority of major source markets the impact of this assumption is likely to be small

Sources

Data sources

The sources listed below are those used only in this year's analysis and reporting. Sources for analysis and findings for previous years can be found in previous year reports.

Sources
Air passenger flow, Eurostat
Alcohol, tobacco, cash and excise duties, European Union, Europe.eu, last updated on Dec 2024
Consumer surveys, Independent market research agencies for 3 markets in study, 2021-2024
Empty packs surveys, Independent agencies for 7 markets in study, 2021-2024
Exchange rate (InforEuro), European Commission, 2024
Legal Domestic Sales, In Market Sales data, 2021-2024
Inbound Arrivals and Outbound Departures, Euromonitor: Travel; Number of Trips, 2021-2024
KPMG analysis of UNWTO and other sources for traveller data
KPMG European Flows Calculation 2024
KPMG European Flows Calculation 2021-2024 and analysis of data sources provided by manufacturers
Market sizes (volume and value) by tobacco categories, Euromonitor: Tobacco; Retail Volume and Retail Value RSP excl. Sales Tax, EUR , 2021-2024
Population 18+, Euromonitor: Total Population; Socio-economic indicators, 2024
Population 18+, UNICEF, 2024
Prevalence for heated tobacco, PMPSA source, 2021-2023
Prices, Euromonitor: Tobacco; Calculated based on Retail Value RSP and Retail Volume estimates, 2021-2024
Tax rate and WAP, GFIS systems as on October 2024
Tourism statistics (Inbound and Outbound arrivals), Euromonitor: Travel; Number of Trips, 2021-2024
UNWTO Factbook

Scope of work

Estimating the size, nature of illicit consumption of heated tobacco in Germany, Poland, Italy, Lithuania, Czech Republic, Hungary, Spain, France, Romania, Greece and the UK for the calendar year 2024

1) The purpose of the Report is to consider and comment on:

a) the estimated size and composition of the total market (including illicit consumption), for heated tobacco in Germany, Poland, Italy, Lithuania, Czech Republic, Hungary, Spain, France, Romania, Greece and the UK for the calendar year 2024.

2) The Contractor will present their findings estimating the size and nature of illicit consumption of heated tobacco in Germany, Poland, Italy, Lithuania, Czech Republic, Hungary, Spain, France, Romania, Greece and the UK for the calendar year 2024 within the Report.

a) The findings from the work on the 11 countries will be used both individually and to produce a 1-2 page summary covering an overall view of the main findings and, if data allows, an analysis of sources of illicit goods, including reference to specific source countries, sales channels, and free trade zones where appropriate.

b) Each country section will consist of the equivalent of 1-2 pages if printed and will include a table detailing total consumption from 2021 to 2024, including Non-Domestic Legal (ND(L)) and Counterfeit & Contraband (C&C) volumes by source country and by brand. The commentary will be brief and factual and will source publicly available data on category prices, traveller data and total category consumption where relevant. The commentary will also source other quantitative and qualitative research and analysis as deemed necessary, for example to in relation to trends in C&C.

c) The Contractor's analysis of the heated tobacco will be based on a methodology that incorporates primary research, market analysis, existing industry surveys and other sources of data:

- i. For each of the 11 countries, the Contractor will use in-market sales data provided by PMPSA, or other third-party research agencies, to estimate Legal Domestic Sales and, where relevant, estimate Legal Domestic Consumption by subtracting outflows to other countries based on the results of primary research provided by PMPSA.
- ii. The Contractor will analyse the results of empty pack surveys and consumer research to estimate the level of Non-Domestic consumption in each country, which will then be added to Legal Domestic Consumption to estimate Total Consumption.
- iii. Using publicly available data, the Contractor will analyse tourism flows, smoking incidence, purchase limits for travellers and border sales data to estimate the proportion of Non-Domestic inflows that could be considered to be legal, and as a direct result provide an estimate of the level of Counterfeit and Contraband for each of the 11 countries.
- iv. The steps above will be undertaken to simultaneously analyse the inflows and outflows between all of the 11 countries using Excel and Alteryx analytical tools, which have been specifically developed for this purpose by the Contractor.

d) Additional data sources may be used to refine the Contractor's analysis.

Scope of work (cont.)

- e) The Contractor will request meetings or interviews with Law Enforcement representatives in Germany, Poland, Italy, Lithuania, Czech Republic, Hungary, Spain, France, Romania, Greece, and the UK, to discuss the Contractor's initial findings and other relevant information regarding illicit heated tobacco consumption. Where Law Enforcement representatives agree to participate in such meetings or interviews the Contractor will, where appropriate, include in the Report, with their permission, a high-level aggregated summary of trends in illicit consumption that they have highlighted.
- f) The Contractor will set out the estimation process in detail in a methodology section in the Report.





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