Market evolution: Tobacco and nicotine products (CN 24) — 2015–2025

Introduction

The EU’s trade in tobacco and nicotine products (CN 24) has undergone a profound structural shift between 2015 and 2025. While total trade values have grown substantially, the underlying composition has been reshaped by the rise of novel nicotine-containing products intended for inhalation without combustion (code 2404). At the same time, traditional manufactured tobacco products have lost ground, and the EU has moved from a net exporter to a net importer of the broader CN 24 group. This report identifies and explains the main dynamics visible in the data, drawing exclusively on the figures provided.

The new tobacco economy: novel nicotine products redefine EU trade

The new 2404 category has quickly become the dominant export segment

Exports of products containing tobacco, reconstituted tobacco or nicotine intended for inhalation without combustion (CN 2404) first appeared in the data in 2022[^1]. In that year their export value reached €1 337 million, and by 2025 they had climbed to €2 909 million, making them the single most valuable export segment within CN 24. Over the same period, exports of manufactured tobacco and substitutes (2403) fell from €3 183 million (2021) to €1 698 million (2025), while cigarettes, cigars and cigarillos (2402) declined in volume by 42 % (from 139 921 tonnes in 2015 to 80 580 tonnes in 2025) despite a price-driven increase in value.

Export segment	2015 (€ mn)	2021 (€ mn)	2022 (€ mn)	2025 (€ mn)
2401 Unmanufactured tobacco	969	931	967	1 365
2403 Manufactured tobacco & extracts	806	3 182	1 845	1 698
2402 Cigarettes, cigars, etc.	2 652	1 392	2 001	2 352
2404 Nicotine inhalation products	—	—	1 337	2 909
Total CN 24 exports	**4 436**	**5 501**	**6 151**	**8 324**

Import growth is increasingly driven by novel products and a shock from China

On the import side, 2404 products followed the same pattern: from zero before 2022 they jumped to €931 million that year and reached €1 462 million in 2025[^2]. The largest single shock to imports occurred in the “China” partner series, where the imported value soared from €83 million (2021) to €913 million (2022) and then to €1 477 million (2025). This is reflected in a price shock centred on 2022, when the unit price of imports from China rose by 547 % compared to the 2020-2021 baseline[^3]. China’s share of total import value jumped to 22.6 % during the shock. Unmanufactured tobacco (2401), mainly from Brazil, Malawi and India, remains the largest import segment in volume, but its share in value is gradually being overtaken by 2404.

Shifting trade geography: concentration, partners and Member State specialisation

Export and import partner concentration increased markedly

The Herfindahl–Hirschman Index (HHI) for extra-EU imports by value rose from 840 in 2015 to 1 128 in 2025, while the export HHI went from 585 to 744[^4]. This indicates a moderate tightening of both supplier and customer bases.

Flow	HHI 2015	HHI 2025	Change (%)
Imports	840	1 128	+34.3
Exports	585	744	+27.3

Japan emerged as the dominant export destination, while several traditional partners became highly volatile

EU exports to Japan surged from €206 million (2015) to €1 737 million (2025), an increase of 743 %, making it by far the largest single market[^5]. Exports to the United Kingdom, by contrast, fluctuated between €364 million and €741 million, reflecting a high volatility (coefficient of variation 0.26). Saudi Arabia experienced a spectacular collapse: after peaking at €680 million in 2015, exports fell to €156 million in 2025, with a negative price-and-volume shock in 2018-2019 (−40.8 % price shift)[^6].

Eastern EU Member States have become highly specialised in the tobacco and nicotine sector

In 2025 the most specialised EU countries (measured by the RSCA index) are Croatia (0.71), Lithuania (0.66), Greece (0.64), Poland (0.60) and Portugal (0.59)[^7]. Poland is simultaneously the largest exporter among this group, accounting for 26.4 % of EU production in the sector. Romania, with an RSCA of 0.57, saw its export value rise by over 1 600 % between 2015 and 2025, from €59 million to €1 002 million. Germany, the historically largest exporter, lost 35 % of its export value over the same period, while Italy and Sweden both multiplied their exports by a factor of about 10.

From self-sufficiency to trade dependency: the erosion of EU production

Domestic production of tobacco products has shrunk dramatically

EU production quantity of CN 24 goods fell from 812 billion units in 2015 to 535 billion units in 2024, a decline of 34.2 %[^8]. In value terms the drop is even steeper: from €16.1 billion (2015) to €6.6 billion (2024), a decrease of 59.0 %. The average unit price of production more than halved over the period, from €0.020 to €0.012, reflecting the shift toward lower-value items or a composition effect.

The EU has switched from a net exporter to a net importer

Net import reliance for CN 24 moved from −2.5 % in 2015 (i.e. the EU was a net exporter) to +15.3 % in 2025, meaning the EU now relies on imports for 15 % of its apparent consumption[^9]. This shift is accompanied by a sharp rise in trade intensity (from 9.3 % to 70.2 %) and in export propensity (from 6.0 % to 49.9 %). In other words, an increasing share of the EU's shrinking domestic output is now exported, while a growing share of consumption is satisfied by imports. The sector has thus moved from one of relative self-sufficiency to one that is deeply embedded in global value chains.

Conclusion

The decade 2015-2025 has reshaped the EU's tobacco and nicotine sector beyond recognition. The creation of CN 2404 marks a regulatory and commercial watershed: within three years it became the leading export segment and the second-largest import segment, drawing in massive flows from China and energising production hubs in Eastern Europe. Traditional products (unmanufactured tobacco, cigarettes, manufactured tobacco) remain important but are either stagnant or declining. The combined effect of falling domestic production, rising trade integration and the emergence of new nicotine delivery systems has turned the EU into a net importer of the category, with a considerably more concentrated and volatile trade geography than a decade ago. These findings suggest a sector in the middle of a transition whose endpoint is not yet visible.

[^1]: Product segment breakdown – exports [^2]: Product segment breakdown – imports [^3]: Price shock – China imports 2022 [^4]: Concentration HHI value [^5]: Top partners by value – exports [^6]: Price shock – Saudi Arabia exports 2018 [^7]: Specialisation – RSCA map 2025 [^8]: Production volumes [^9]: Net import reliance

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