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Tobacco Industry Overview

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This Week at a Glance

Romania: Latest Developments

International Developments

This Week at a Glance

▮ **Romania Intensifies Anti-Smuggling Enforcement** - Romanian customs and border police stepped up enforcement against illicit tobacco trafficking, seizing more than **280,000 illegal cigarettes** in a series of operations.

▮ **UK Tightens Regulation of Vaping Products** - The UK advanced major regulatory reforms by introducing a new **Vaping Products Duty** from October 2026 and launching a consultation on plain packaging, stricter branding rules, flavour name restrictions and display bans for vaping products.

▮ **Europe Advances Stricter Tobacco Policies** - Germany agreed to significantly increase tobacco excise duties through 2030, while Ireland moved forward with plans for a **generational smoking ban** and additional tobacco and vaping restrictions.

▮ **WHO Reinforces Global Tobacco Control Agenda** - WHO called for stronger implementation of the FCTC, highlighting tobacco control as a key success in cancer prevention while urging governments to strengthen enforcement, increase tobacco taxes, expand advertising restrictions and combat illicit trade.

▮ **FDA Vaping Policy Faces Legal Challenge** - A coalition of U.S. public health organizations sued the FDA over its policy allowing certain unauthorized e-cigarette and nicotine pouch products to remain on the market during regulatory review.

Romania: Latest Developments

(1) Court Confirms Repeal of Illegal Trade Law.

Romania's Constitutional Court has **confirmed that the repeal of Law No. 12/1990, which regulated and sanctioned certain illegal commercial activities, is constitutional.** The Court rejected a challenge filed by the National Agency for Fiscal Administration (ANAF), ruling that the absence of a detailed explanatory memorandum, impact assessment or certain legislative drafting elements does not make a law unconstitutional, provided it complies with the Constitution and is clear and predictable. The decision is final and legally binding.

Impact: The ruling confirms that Law No. 12/1990 will remain repealed, meaning authorities must continue relying on other legal frameworks to combat illegal trade and unauthorized commercial activities. For the tobacco industry, enforcement against illicit tobacco products will depend on alternative legislation rather than the repealed law.

(2) Romanian Authorities Intensify Anti-Smuggling Operations.

Romanian customs and border police reported several new enforcement actions targeting illicit tobacco trafficking across airports and land border crossings.

- **Otopeni Airport (13–15 July):** Joint customs and border police operations resulted in the seizure of **64,660 undeclared cigarettes** from passengers arriving on flights from Istanbul, Sabiha Gökçen and Hurghada. The cigarettes were confiscated and all passengers received administrative fines.
- **Otopeni Airport (16–17 July):** Risk-based inspections uncovered **121,800 undeclared cigarettes** from passengers arriving from Istanbul and Cairo via Athens. While the smaller seizure resulted in administrative sanctions, the 103,400-cigarette case led to a criminal investigation.
- **Giurgiu – BLITZ Operation:** Border police seized **27,600 cigarettes** with Bulgarian tax stamps hidden inside soft drink boxes in a Bulgarian-registered minibus. The cigarettes were confiscated after the driver failed to provide proof of origin.
- **Giurgiu – Operation Summer Migration:** Authorities discovered **66,240 cigarettes** concealed in specially modified compartments and personal luggage inside a Bulgarian-registered vehicle travelling from Bulgaria to Turkey. Criminal proceedings were initiated and the goods were confiscated.

- **Nădlac Border Area:** Border police confiscated more than **2,900 packs of cigarettes** hidden in specially constructed compartments inside a Moldovan-registered minibus that was attempting to leave Romania. The vehicle was also seized, and a criminal smuggling investigation was launched.

Impact: The latest seizures highlight Romania's continued focus on disrupting illicit tobacco trafficking through intelligence-led inspections, joint customs-border police operations and enhanced border controls. Sustained enforcement efforts are expected to increase pressure on smuggling networks while helping protect excise revenues and the legal tobacco market.

International Developments

Europe

(1) Germany Plans Steeper Tobacco Tax Increases.

Germany's ruling coalition has **agreed to raise tobacco excise duties more sharply than previously planned**, with the average price of a pack of cigarettes expected to **increase from about EUR 8 today to EUR 11.78 by 2030**. Under the revised proposal, **prices would reach around EUR 9.10 in 2027**, with the government aiming to reduce smoking rates while generating additional revenue for healthcare spending. The higher excise rates are expected to raise around EUR 800 million more annually than the original plan, although the tobacco industry has warned that the increases could encourage cross-border purchases and illicit tobacco trade.

Impact: The proposed tax increases would further increase costs for tobacco manufacturers, retailers and consumers in Germany. While higher prices may reduce cigarette consumption, the industry is concerned that they could also boost illicit trade and cross-border shopping, putting additional pressure on the legal tobacco market.

(2) UK Introduces Vaping Products Duty.

The UK will introduce a **new Vaping Products Duty from 1 October**, adding a **tax of GBP 2.20 per 10ml of vaping liquid regardless of nicotine content**. HM Revenue & Customs (HMRC) is urging manufacturers, importers and other supply-chain businesses to complete registration before the new rules take effect. Industry experts expect much of the additional cost to be passed on to consumers, although the extent of price increases will depend on individual business decisions. Companies that produce or handle vaping products without the required approvals from October could face civil or criminal penalties.

Impact: The new duty is expected to increase retail prices for vaping products, potentially affecting consumer demand and purchasing behaviour. For the tobacco and nicotine industry, the tax introduces higher compliance requirements and could reshape competition as businesses balance higher costs with pricing strategies.

(3) UK Consults on Stricter Vaping and Tobacco Rules.

The UK government has **launched a 12-week consultation on new measures to make vaping less appealing to children**, including plain white packaging for vape products, restrictions on colourful branding and sweet-themed flavour names, and display bans in shops similar to

those already applied to tobacco products. The proposals would also extend plain packaging requirements to all tobacco products, including cigars and heated tobacco products, introduce quit-smoking messages inside tobacco packs, and remove tobacco displays from duty-free shops and airports. The consultation forms part of the Tobacco and Vapes Act 2026, with no legal changes taking effect until the consultation is completed and final regulations are adopted.

Impact: The proposed measures would significantly tighten marketing and retail rules for both vaping and tobacco products in the UK. If implemented, they would increase compliance requirements, further limit product differentiation and branding opportunities, and reinforce the UK's increasingly restrictive regulatory environment for the nicotine industry.

(4) Ireland Considers Generational Smoking Ban.

The Irish government is considering introducing **a generational smoking ban that would permanently prevent anyone born on or after 1 January 2009 from legally purchasing cigarettes**, following a model already adopted in the UK. The proposal is being reviewed as part of the updated Tobacco Free Ireland strategy and could be presented to the Cabinet in the coming weeks. The government is also assessing additional tobacco-control measures, including standardizing the appearance of cigarettes, expanding smoking-cessation support, and introducing further restrictions on vaping products following the ban on disposable e-cigarettes.

Impact: If adopted, the generational smoking ban would mark a significant tightening of Ireland's tobacco regulations, creating long-term challenges for cigarette sales. Combined with broader restrictions on tobacco and vaping products, the measures signal an increasingly restrictive regulatory environment for the nicotine industry.

United States

(1) FDA Faces Lawsuit Over Vaping Policy.

A coalition of U.S. public health organisations, medical groups and parents has **sued the U.S. Food and Drug Administration (FDA) over a May policy that allows certain unauthorized e-cigarette and nicotine pouch products to remain on the market while their marketing applications are under review**. The plaintiffs argue that the policy violates the Tobacco Control Act by permitting products to be sold without prior authorization and by failing to follow required public consultation procedures. They also oppose the FDA's plan to publish a list of products that will not be prioritized for enforcement, claiming it could allow thousands of unauthorized products, including flavoured products popular with youth, to remain on sale.

Impact: The lawsuit could lead to stricter enforcement against unauthorized vaping and nicotine pouch products if the court rules against the FDA. This may reduce competition from unapproved products, but it could also create greater regulatory uncertainty for manufacturers with products awaiting FDA review.

World Health Organization (WHO)

(1) WHO Urges Stronger Tobacco Control Measures.

The WHO Framework Convention on Tobacco Control (WHO FCTC) Secretariat has **called on countries in the Eastern Mediterranean Region to strengthen tobacco control measures to protect children and young people from nicotine addiction.** Speaking at a regional ministerial meeting, the Secretariat urged governments to fully implement the WHO FCTC, including comprehensive bans on tobacco advertising, promotion and sponsorship, stronger restrictions on sales to minors, higher tobacco taxes, and measures to prevent tobacco industry interference in public health policies. It also highlighted new guidelines addressing cross-border and digital tobacco advertising and encouraged countries to adopt the Protocol to Eliminate Illicit Trade in Tobacco Products.

Impact: The WHO's recommendations reinforce global momentum toward stricter regulation of tobacco and nicotine products. If adopted by more countries, these measures could lead to tighter marketing restrictions, higher taxes and stronger enforcement against illicit trade, increasing regulatory and compliance challenges for the tobacco industry.

(2) WHO Highlights Tobacco Control Progress in Cancer Prevention.

WHO has **identified tobacco control as one of the most successful areas of global cancer prevention**, reporting a 27% decline in worldwide tobacco use prevalence since 2010. In its **Global Status Report on Cancer 2026**, WHO credits progress to measures implemented under the WHO Framework Convention on Tobacco Control (FCTC) and notes that 155 countries now have at least one MPOWER best-practice tobacco control measure in place. However, the organization warns that **incomplete implementation of tobacco-control policies remains a major challenge**, with tobacco use continuing to be a significant contributor to preventable cancers. WHO is calling for stronger enforcement of existing measures and greater integration of tobacco control into national cancer strategies.

Impact: The report is likely to strengthen support for stricter tobacco-control policies worldwide, including higher taxes, marketing restrictions and stronger regulatory enforcement. For the tobacco industry, the findings reinforce ongoing regulatory pressure and could encourage governments to accelerate the implementation of existing tobacco-control measures rather than introducing entirely new policies.