

24-28 august 2026

Tobacco Industry Overview

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This Week at a Glance

Romania: Latest Developments

International Developments

This Week at a Glance

▣ **Romania Reports Significant Anti-Smuggling Enforcement Results** - Police identified more than 61 million illicit cigarettes and 9.6 tonnes of tobacco in the first seven months of 2026, while recent operations uncovered several million additional cigarettes.

▣ **Dutch Tobacco Tax Losses Estimated at EUR 3 Billion** - Industry estimates indicate a sharp increase in excise and VAT losses linked to cross-border purchases and illicit tobacco trade.

▣ **Germany Considers Steeper Tobacco Excise Increases** - The governing coalition is seeking higher tobacco tax rates through 2030, with annual additional revenues projected to reach EUR 4.4 billion.

▣ **Cochrane Review Finds Vapes More Effective Than Traditional Quit Aids** - An updated systematic review found high-certainty evidence that nicotine e-cigarettes achieve higher smoking-cessation rates than conventional nicotine replacement therapies.

Romania: Latest Developments

(1) Romania Reports Over 61 Million Illicit Cigarettes Identified in First Seven Months of 2026

Romanian police reported that **61.26 million cigarettes and more than 9.6 tonnes of tobacco** were identified and taken out of circulation between January and July 2026. Authorities conducted **292 joint operations nationwide**, opened **447 criminal cases involving 575 people**, and imposed **907 administrative fines worth approximately RON 6.74 million**.

Recent operations indicate continued enforcement activity. On 24 August, police in Buzău intercepted two vehicles carrying a combined **3.34 million cigarettes**. Of these, 2.56 million were concealed behind pallets containing frozen fish, while another 777,720 cigarettes bearing Moldovan markings were hidden behind boxes of footwear. The estimated damage to the state budget was **RON 3.31 million**.

Separately, between 24 and 29 August, border police and customs officers at Bucharest Henri Coandă and Braşov airports identified **81,160 undeclared cigarettes** in the luggage of 12 Romanian passengers. The products were retained by customs authorities and the passengers received administrative fines.

Impact: The figures point to sustained enforcement pressure against illicit tobacco trade in Romania, including both organised large-volume transport and smaller undeclared movements through airports. Tobacco operators should continue to monitor enforcement trends and illicit-market developments, particularly given their potential effects on the legal market and excise revenues.

International Developments

Europe

(1) Netherlands: Tobacco Tax Losses Estimated at EUR 3 Billion

The Dutch government is losing an estimated **EUR 3 billion in tobacco-related excise duties and VAT** as consumers increasingly purchase tobacco products abroad or through illicit channels, according to Dutch tobacco industry association VSK. The estimated revenue shortfall has more than doubled from **EUR 1.4 billion in 2021**, with VSK linking the increase to higher domestic tobacco prices.

Recent enforcement activity also points to significant illicit flows. Between 23 July and 7 August, the Combiteam SMOKE enforcement unit identified **more than 20.7 million illicit cigarettes** at several locations across the Netherlands. The largest case involved 12 million cigarettes in Rotterdam. Authorities estimate that the intercepted products would have represented approximately **EUR 9 million in unpaid excise duties** if they had reached the market.

Impact: The figures reinforce industry concerns that higher tobacco taxation may contribute to cross-border purchasing and illicit trade when price differences with neighbouring markets become significant. The estimated fiscal losses could increase pressure on the Dutch government to consider illicit-market effects when assessing future tobacco tax policy.

(2) Germany: Coalition Seeks Steeper Tobacco Excise Increases Through 2030

Germany's governing **CDU/CSU and SPD coalition** is seeking significantly higher tobacco excise duties than previously planned. Under the proposed amendment, the cigarette tax rate would progressively increase to **EUR 0.3819 per cigarette by 2030**, compared with EUR 0.3580 under the previous plan.

The proposed rate would rise to EUR 0.2949 per cigarette in 2027, EUR 0.3215 in 2028 and EUR 0.3504 in 2029. Excise duties on **cigars, cigarillos, fine-cut tobacco and pipe tobacco** would also increase more sharply.

The coalition expects the revised measures to generate more than **EUR 1.5 billion in additional revenue in 2027**, with annual additional revenues projected to reach approximately **EUR 4.4 billion by 2030**. Tobacco industry representatives have criticised the proposed increases as disproportionate and warned about potential consequences for employment.

Impact: If adopted, the revised schedule would substantially increase the fiscal burden on tobacco products in Germany and could affect pricing and consumer behaviour. The proposal is also relevant in the context of the wider European debate on tobacco taxation and potential revisions to national and EU excise frameworks.

(3) Cochrane Review Finds Nicotine E-Cigarettes More Effective Than Traditional Quit Aids

An updated **Cochrane systematic review** covering **80 randomised controlled trials and 29,861 participants** found high-certainty evidence that nicotine e-cigarettes help more people quit smoking than conventional nicotine replacement therapies such as patches and gum.

Researchers estimate that nicotine e-cigarettes result in approximately **four additional quitters per 100 smokers** compared with traditional nicotine replacement therapy. Nicotine e-cigarettes also performed better than non-nicotine e-cigarettes, resulting in approximately two additional quitters per 100 users.

The review found no evidence of increased serious adverse effects associated with nicotine e-cigarettes when used for smoking cessation. However, researchers stressed that longer-term evidence remains limited and that the findings concern **regulated nicotine vaping products**, rather than illicit or unregulated products.

Impact: The findings strengthen the evidence supporting regulated nicotine e-cigarettes as a smoking-cessation tool and could feed into ongoing policy discussions over harm reduction and the regulatory treatment of alternative nicotine products. The distinction made by researchers between regulated and illicit products may also be relevant to future regulatory debates.