



Euromonitor
International

What's Happening in Nicotine and Cannabis - H1 2025

August 2025

EXECUTIVE SUMMARY

Why read this report?

Key stories

INTRODUCTION

Resilient nicotine industry performance despite gradual volume decline in cigarettes

NEW in passport: Illicit/Non-compliant e-vapour added for total e-vapour sizing

Adult-use category is the driving force behind the global legal cannabis market

REGULATORY UPDATES

Mixed signals in regulatory environment in the US

Regulation restrictions continue to target visibility of products

Approaches to harm reduction continue to evolve

Regional alignment, plain packaging and smoking areas restrictions

Taxation updates

HHC gets official scheduling from UN

Cannabis continues with experimentation and updates

Update on legal markets and path to legalisation

INDUSTRY UPDATES

E-vapour, illicit and non-compliant, remains a significant challenge

Public Investment Fund-backed Badael offers DZRT nicotine pouches

New regulatory guidelines for CBD and THC in the UK

Positive momentum in the cannabis market

CORPORATE UPDATES

Philip Morris International (PMI) continues its push into smoke-free products

British American Tobacco (BAT) shows a mix of progress and challenges

JTI's positive performance driven by HTP globally and combustion in the US

Other company developments

Core industry players continue to focus on key markets

Cannabis performance and M&A activity

Rise of hemp-derived THC in the US and potential role of alcohol companies

MACROECONOMIC UPDATES

Trade tensions and uncertainty cloud the global economic outlook

Key country insights

Real GDP annual growth forecasts and revisions from last quarter - AE

Real GDP annual growth forecasts and revisions from last quarter - EMDE

Inflation forecasts

CONCLUSION

Key stories

Our experts' views of key developments so far in 2025

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- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/whats-happening-in-nicotine-and-cannabis-h1-2025/report.