



# What's Happening in Nicotine and Cannabis . H2 2025

January 2026

## EXECUTIVE SUMMARY

Why read this report?

Key stories

## INTRODUCTION

Nicotine industry performance resilient 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

## NICOTINE – REGULATORY UPDATES

FDA to launch pilot to streamline PMTA process for nicotine pouches

Regulatory shifts: New bans and visibility restrictions in tobacco and vaping

More aggressive product bans continue to emerge

Global regulatory pressure increasing

Modernising tobacco taxation in the EU: Key 2025 reforms

Sharp taxation increases continue to drive the price of combustion products

Illicit market continues to thrive despite strict regulatory environment

## NICOTINE – INDUSTRY UPDATES

Global industry continues to undergo transformation.

Ongoing product innovation is steadily transforming the RRP landscape.

Manufacturers and retailers focus on technology, convenience and availability

## NICOTINE – CORPORATE UPDATES

PMI enjoys positive performance from RRP portfolio

BAT doubles down on investments and innovation

JTI expands RRP efforts in its priority markets

Other company developments

Other company developments (cont.)

## CANNABIS – REGULATORY UPDATES

The US reschedules cannabis in a major industry change

Whiplash from too much legalisation?

Europe continues a mixed approach to cannabis regulation

## CANNABIS – INDUSTRY UPDATES

Positive momentum in the cannabis market

## CANNABIS – CORPORATE UPDATES

Modest growth for core industry players with US tailwinds

Portfolio and geographic expansion continues

## MACROECONOMIC UPDATES

Global growth shows resilience, with fragile outlook due to market volatility

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

Global scenario map: Trade-related uncertainty dominates the risk landscape

## CONCLUSION

Key stories

Our experts' views of key developments so far in 2025

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For more information on this report, further enquiries can be directed via this link [www.euromonitor.com/whats-happening-in-nicotine-and-cannabis-h2-2025/report](http://www.euromonitor.com/whats-happening-in-nicotine-and-cannabis-h2-2025/report).