

**Subject: Tobacco taxation – excise duties for manufactured tobacco products (updated rules)**



**European Commission - Public consultation**

October 29, 2025

SCOHRE is an International scientific association of independent experts on Smoking Control & Harm Reduction, who seek an open and constructive dialogue to help come up with a new approach to smoking control policies. We are writing in response to the solicitation of input on the proposed [European tobacco tax initiative](#).

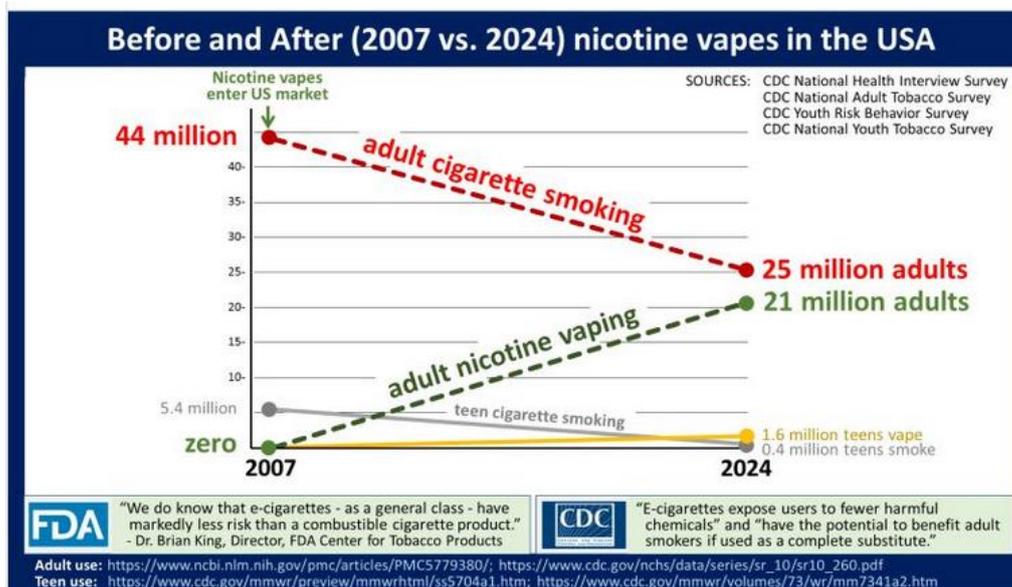
We strongly believe that the proposed initiative is counter to good health policy and fails to meet the stated objectives to be part of the EU's 'beating cancer' plan and to "ensuring a high level of human health protection". Nor is it consistent with the EU's [cardiovascular health plan](#).

The science has been clear for half a century that people smoke to get nicotine but die because of the inhalation of smoke. This creates an enormous opportunity to address cigarette smoking, the leading cause of death in the EU, by recognising cigarettes as an unreasonably hazardous product that can be largely replaced by massively lower risk non-combustible alternatives. This in turn would be hugely important in achieving EU goals on both beating cancer and reducing cardiovascular disease.

To equate all non-combustible products as somehow similarly hazardous as cigarettes simply ignores an enormous body of science and will further erode public trust in government in general and the EU specifically. This should be of particular concern given the [documented evidence](#) of this decline in trust in government, and its implications.

There is a large and growing body of evidence that there is tremendous scope for product substitution between consumer tobacco/nicotine products. The experience of Sweden, Norway, Iceland, Japan, New Zealand and elsewhere bears this out and we would be pleased to provide detailed information. The widely available information on reduced disease rates in Sweden is already being supplemented by [evidence](#) of the same effect in Japan.

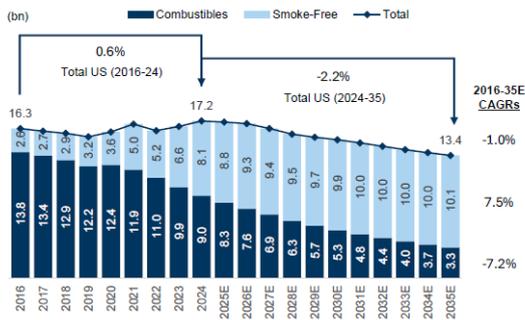
Even when policy measures hold back rather than facilitate transformation the interest in switching is extraordinary. Price differentials very likely explain much of this change in many countries as information on relative risks is still scant. The potential for market transformation is illustrated well in this graph from Dr. Charles Gardner on US consumption trends:



Because the US market is so significant it provides excellent data on the current and expected trends in the transformation of the nicotine market, further shown in this detailed information from a comprehensive Goldman Sachs report earlier this year:

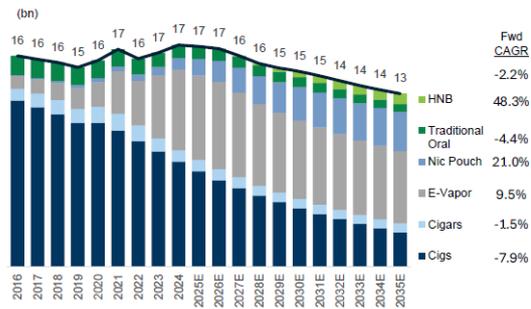


**Exhibit 3: US Nicotine Industry Volumes (bn)**  
2016-2035E



Source: Company data, Goldman Sachs Global Investment Research

**Exhibit 4: US Nicotine Industry Volume by Category**  
2016-2035E



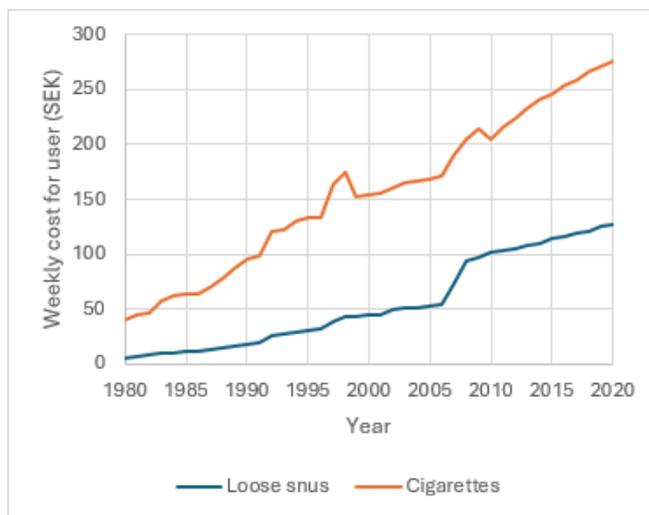
Source: Company data, Goldman Sachs Global Investment Research

This market transition from lethal cigarettes to alternatives that are far less hazardous is closely aligned with the EU's 'beating cancer' plan. After all, nicotine itself does not cause cancer, but the inhalation of smoke to obtain it cause cancers that kill millions globally.

Cross-elasticities are a strong determinant of the level of product substitution and price differentials are often used to spur the move to less hazardous goods (such as the transition from leaded to unleaded motor fuels and from combustion-based to non-combustion transportation). As stated in a commentary by leading figures in the field of the economics of public health in the New England Journal of Medicine [Differential Taxes for Differential Risks — Toward Reduced Harm from Nicotine-Yielding Products](#),

In the face of a rapidly evolving nicotine-product marketplace, policymakers could consider differentially taxing these products to maximize incentives for tobacco users to switch from the most harmful products to the least harmful ones.

Sweden achieved an enormously beneficial market transition from cigarettes to non-combustible snus and now has the lowest tobacco-related death rates in the EU. The role of differential taxation in achieving that public health breakthrough should, alone, be sufficient basis for the EU rethinking the taxation of tobacco/nicotine products.



### Fundamental Justice

We also recommend that the EU consider issues of fundamental justice when considering this directive. Cigarette smoking is a dependence-based activity focused on nicotine delivery. A great many of the people in the EU who are smoking cigarettes are already marginalised and economically disadvantaged. A nicotine abstinence-only agenda is simply inhumane knowing what we do about cessation rates. Measures that seek to simply raise prices for the full category of substitutable consumer products fails to empower them to make better health decisions, reducing the economic incentive to reduce risks while implicitly misinforming them on issues of relative risk.

### Illicit Trade, and other Foreseeable Risks

Tax-mandated tax increases give consumers an incentive to change behaviours. But unless policies are well crafted the choices made are not necessarily what the policy makers had in mind, despite these alternative actions being readily identifiable. In the absence of a significant economic and informational incentive to move to lower risk alternatives there are other, clearly deleterious, options to deal with the price change. Illicit trade is the most obvious and these networks are already in place and can be expected to respond to greater profit potential. But income-limited people can also be expected to smoke more intensely to compensate for fewer cigarettes, and to give up necessities of life for themselves and any dependents in to reallocate finances to deal with their dependency.

Increase the price of cigarettes will spur the pursuit of alternatives. To increase the price of low-risk alternatives will block an exit. Such a plan makes no more sense than seeking to address a burning theatre by pouring on petrol while barring the fire escapes.

We would be happy to address any questions and to help achieve a tax environment that truly helps us move forward on beating not just cancer but myriad other smoking-caused diseases.

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**SCOHRE** is an International scientific Association of independent experts on Smoking Control & Harm Reduction, who seek an open and constructive dialogue to help come up with a new approach to smoking control policies.

Our purpose is to provide stakeholders with science-based balanced information. Tobacco harm reduction debate is still at an early stage and more research and publications are needed.

- We need to raise awareness on existing knowledge, benefit from already existing solid expertise in many countries, and create more opportunities for education of health policy experts, regulators, and the public.
- We will work to generate more evidence that harm reduction in smoking should be implemented along with smoking prevention and smoking cessation to counterfeit the detrimental effects of smoking.
- We will establish new research to generate more evidence to cast out all doubt.