

Smokeless Tobacco - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Abstracts

The Smokeless Tobacco Market size is estimated at USD 14.61 billion in 2024, and is expected to reach USD 16.41 billion by 2029, growing at a CAGR of 2.36% during the forecast period (2024-2029).

Key Highlights

Although smoking is prohibited in many countries, the consumption of smokeless tobacco is permitted, which results in encouraging and shifting consumer demand from smoking to smokeless tobacco. Moreover, using snus and chewing tobacco is considered a traditional practice across various countries such as Sweden, Norway, India, and others, encouraging consumers to prefer smokeless tobacco over smoking, in turn propelling the market growth during the forecast period.

Moreover, the rising popularity of smokeless tobacco products due to the ease of the application it provides to its users is a significant factor driving the market. The ease with which the product can be used anywhere, as compared to cigarettes, which cannot be smoked in public or no-smoking zones due to the negative impacts of combustion, has played an essential role in promoting the use of smokeless tobacco. The use of these tobacco products is known to be rising, especially among young people, in several Nordic countries and Estonia.

The market is strongly affected by government regulations in different countries relating to smokeless tobacco products, which affects the market growth either positively or negatively. In countries like Australia, New Zealand, the United Arab Emirates, and several countries under the European Union, the sales of smokeless tobacco products is prohibited, thereby, restraining the market growth in these regions. Whereas in

countries like the United States, the government makes efforts to regulate the manufacturing, marketing, sales, and distribution of tobacco products, thereby, creating an opportunity for the growth of smokeless tobacco products in the market.

Smokeless Tobacco Market Trends

Growing Prevalence of Smokeless Tobacco Supported by Growth in Production of Tobacco

Smokeless tobacco products are being embraced as potential tools for smoking cessation or substitution, providing consumers with an alternative option to transition away from conventional combustible cigarettes. The increasing awareness about the implications of cigarette smoking and exposure to passive smoke is a pivotal driver in steering individuals towards smokeless alternatives. Smokeless tobacco products are perceived to be less harmful than traditional smoking, which in turn contributes to the expanding market share of these products. There has been a discernible increase in tobacco consumption, with a growing number of individuals participating in smoking activities owing to evolving social attitudes and lifestyle choices among men and younger consumers.

For instance, in November 2023, according to the National Youth Tobacco Survey (NYTS) in the United States, 1.5% of high school students reported using smokeless tobacco products. Among high school boys, 2.1% used smokeless tobacco products in the past 30 days. Moreover, the increasing production of tobacco globally serves as a cornerstone for the growth of the smokeless tobacco industry as it ensures a stable supply chain and facilitates innovation and market expansion to fulfill the demand for smokeless tobacco products among consumers. For instance, according to the Food and Agriculture Organization, global tobacco production is estimated to be 5,888.76 thousand metric tons in 2021, which increased from 5,813.28 thousand metric tons in 2020. In conclusion, the growing demand for smokeless tobacco products for smoking cessation or substitution among consumers, especially millennials and the younger generation, supported by the rising production of tobacco globally, is supporting the growth of the market in the studied period.

North America Stands to be the Largest Market

The smokeless tobacco market is projected to grow at a decent phase in the forecast

period, owing to favorable regulation, perceived low risk against other tobacco products among consumers, and strong penetration of global brands in the region. Favorable government regulations supporting the sales of smokeless tobacco products in the regional market, especially the United States market are expected to escalate the market demand further. Moreover, along with the sales opportunity, the concerned organizations also offer marketing and promotion opportunities to prominent manufacturers, thereby, propelling the growth of the market studied. For instance, in March 2023, the United States Food and Drug Administration (FDA) authorized Copenhagen Classic Snuff, a loose, moist snuff, to be marketed as a modified risk tobacco product (MRTP) in the market concerned. The product was earlier marketed without modified risk information in the country.

Further, in the Canadian market, in March 2022, the United Conservative Party of Alberta, Canada, lowered its tax rate on smokeless tobacco, including products like chewing tobacco and snuff. These products were earlier taxed at 41.25 cents per gram, while the new rate decreased it to 27.5 cents per gram, making it similar to the cigarette tax rate in the Alberta province. Additionally, the market witnesses the presence of classic as well as flavored smokeless tobacco, suiting the changing demands of consumers. Manufacturers offer these tobacco products in flavors such as mint, cherry, citrus, wintergreen, and others as per market requirements, in turn, propelling the market growth.

Smokeless Tobacco Industry Overview

The global smokeless tobacco market is highly competitive, with the presence of several regional and global brands. Some of the prominent players in the market include Altria Group, Inc., British American Tobacco Plc, Philip Morris International, Inc., Imperial Brands Plc, and Dholakia Tobacco Pvt. Ltd., among others. As adult tobacco consumer preferences evolve, consumers are increasingly moving across tobacco categories. The willingness of adult tobacco consumers to purchase premium brands. The prime factors determining the market brands and their position in the concerned market are the continuous launch of new products with innovative options and premium quality products. Thus, brands are differentiating their products in terms of design (size), flavor, format, and innovation to gain a competitive advantage.

For instance, in February 2023, General brand launched Harvest's special blend that had a clean and rustic taste of raw tobacco. It came in two different formats: White

Portion and Original Portion. The original portions weigh 1 gram/piece, and the white portions weigh 0.9 grams/piece. Each box contained 24 pills, and the snus had a normal nicotine strength of 2/4 (0.9%).

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