



# Position Paper: The Case for the Liberalization of the European Tobacco Industry

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## 1. Executive Summary

The European tobacco industry remains one of the most heavily regulated sectors of the economy. While public health concerns have rightly shaped policy, the current legislative environment fosters monopolistic market conditions, restricts consumer choice, and stifles entrepreneurial innovation. BOCOR advocates for a restructured regulatory framework that prioritizes market liberalization while maintaining health standards through science-based oversight and transparent consumer information.

## 2. Current Challenges

### 2.1. Market Concentration

The European tobacco market is dominated by a handful of multinational corporations, resulting in limited competition and reduced space for small and medium-sized enterprises (SMEs). Regulatory compliance costs disproportionately affect independent producers and new market entrants, creating de facto barriers to entry.

### 2.2. Regulatory Overreach

While tobacco control is a legitimate policy goal, the current regime—including plain packaging, advertising bans, and excise tax structures—extends beyond harm reduction into paternalism. This overreach undermines consumer autonomy and creates unintended consequences such as black market proliferation.

### 2.3. Innovation Suppression

Emerging alternatives such as heated tobacco products, nicotine pouches, and reduced-risk products face regulatory uncertainty or outright bans in several member states. This discourages innovation and the development of potentially less harmful alternatives to traditional smoking.

## 3. Policy Recommendations

### 3.1. Harmonized Market Access

The EU should implement uniform licensing procedures that lower administrative burdens and promote cross-border commerce for tobacco-related businesses. SMEs must be empowered to compete on fair terms with established actors.

### 3.2. Science-Based Regulation

Health policies should reflect contemporary scientific research, distinguishing clearly between combustible tobacco and reduced-risk alternatives. Regulation should incentivize transitions toward less harmful consumption methods without imposing blanket restrictions.

### 3.3. Consumer Empowerment

Informational transparency should replace advertising bans. Consumers have a right to know about the products they use, including relative health risks, ingredient sourcing, and production standards. An open marketplace of ideas fosters both accountability and informed choice.

## 4. Conclusion

Liberalizing the European tobacco industry does not mean disregarding public health; it means reshaping the policy landscape to balance risk reduction with economic freedom. A fair, open, and competitive market-guided by evidence, not ideology-will benefit consumers, entrepreneurs, and regulators alike.

## About BOCOR

BOCOR is a non-partisan think tank committed to evidence-based policy and regulatory innovation in Europe. We champion economic liberalization, consumer choice, and pragmatic governance across industries.