By 2020, tobacco usage worldwide was reported at 22.3% of the total population. The World Health Organization (WHO 2021) estimated that as of July 2021, over 8 million deaths globally resulted from direct smoking, with an additional 1.2 million fatalities occurring due to secondhand smoke exposure. In Ukraine, this rate in 2020 was close to the global average but slightly lower than that of most neighboring countries, with 25.8% of adults identified as tobacco users, as per the World Development Indicators (WDI 2020) database.

Between 2022 and 2024, the State Statistics Service of Ukraine did not release any figures regarding tobacco use prevalence. However, during this period, the Kyiv International Institute of Sociology conducted surveys commissioned by the NGO "Zhyttia." Findings from May 2022 indicated that 32% of respondents were tobacco users, with 28% smoking daily. By December 2023, this figure declined to 30%, followed by a further reduction to 27% in October 2024.

By 2023, the majority of smokers, accounting for 48.8% of the legal cigarette market, preferred mid-priced or premium manufactured cigarettes. In contrast, approximately 32.4% of smokers opted for economy cigarettes. Heated tobacco products have gained significant traction, securing an 18.1% market share. Meanwhile, cigarillos comprised 3.3% of the market, whereas roll-your-own cigarettes remained a marginal category, representing just 0.1% (Jovanovikj, B., Kungl, N., Fidanovski, K., Ross, H., & The Vienna Institute for International Economic Studies. 2024. Analysis of the fiscal and health impact of increasing tobacco excise taxes in Ukraine).

To determine elasticity coefficients, researchers relied on estimates derived from empirical studies on the subject. When feasible, these coefficients were cross-validated with data from Ukraine’s economy. In higher-income nations, cigarette price elasticity estimates generally range from -0.2 to -0.6, with a central tendency near -0.4. Lower-income groups demonstrate greater sensitivity to price shifts, whereas mid-range and premium-brand smokers exhibit the least responsiveness (US NCI and WHO, 2016). Ross et al. (2012) provided a similar estimate for Ukraine, calculating a price elasticity of -0.32. Meanwhile, Fuchs and Meneses (2017) found a slightly higher elasticity at -0.45. Their research further reinforced that lower-income consumers react more strongly to price fluctuations than wealthier smokers.

Recent research on heated tobacco products (HTPs) suggests their price elasticity is generally higher than that of conventional cigarettes, with Qian (2024) proposing a value of -0.98. Demand elasticity concerning income varies by country.