

WHITE PAPER

Safer Nicotine Works

THE CASES OF JAPAN AND SWEDEN

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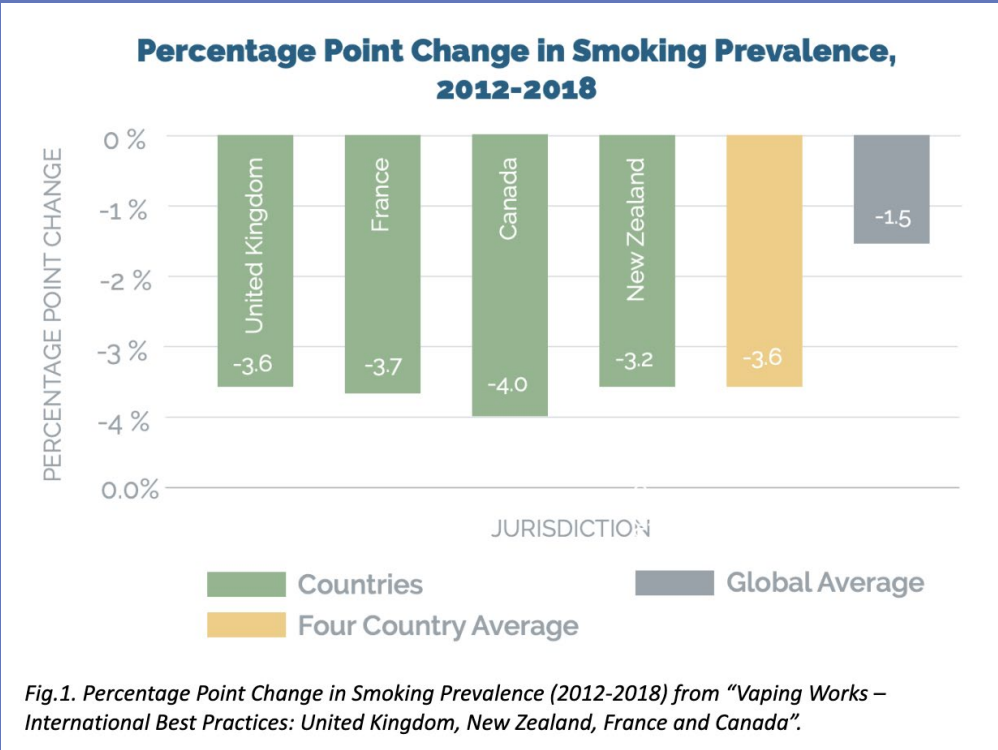
INTRODUCTION

Smoking remains the leading cause of preventable death worldwide. According to the WHO, it kills more than 8 million people each year, including around 1.2 million people from exposure to second-hand smoke.

Despite a global decline in smoking rates in recent years, some countries have seen more rapid declines than others, with it improving public health, thanks to adopting a progressive approach to safer nicotine products.

Globally, there is currently a debate about alternatives to smoking and their efficiency in reducing smoking prevalence. This conversation has been largely dominated by vaping. Empirical evidence from several countries worldwide has shown the benefits of vaping in quickly reducing smoking rates.

This new policy paper “Safer Nicotine Works” represents a continuation of the 2021 policy paper “Vaping Works – International Best Practices: United Kingdom, New Zealand, France and Canada”. “Vaping Works” paper has shown (fig. 1) that “countries that embrace vaping, such as France, the United Kingdom, New Zealand, and Canada have witnessed a decrease in smoking rates that is twice as fast as the global average”.



"Safer Nicotine Works" examines the experiences of Japan and Sweden, two countries with distinct approaches to reducing smoking. By analyzing their strategies, we can gain valuable insights into practical methods for improving public health globally. The cases of Japan and Sweden show that vaping is not the only viable alternative to help smokers switch and stay away from cigarettes.

Historically known for its high smoking rates, Japan has witnessed a slower decline than similar countries in recent decades. However, the introduction of tobacco heating products in 2016 has catalyzed a remarkable change in consumer behavior. Since tobacco heating products were first introduced on the market in 2016, cigarette sales have dropped by 32% in just five years.

In contrast, Sweden has achieved remarkable success in combating smoking and progressing towards a smoke-free society. Now Sweden is on the brink of being the first country in the world to become "smoke-free", defined by the Swedish government and public health authorities as a total smoking rate of 5% or less. Unique tobacco consumption habits, such as the prevalence of oral nicotine products like snus and, more recently, tobacco-free nicotine pouches, which have facilitated the switch from cigarettes particularly in the case of women, have contributed to Sweden's low smoking rates.

The experiences of Japan and Sweden suggest that the availability of safer nicotine products can play a significant role in reducing smoking rates if these products provide smokers with an acceptable (realistic), less harmful alternative to cigarettes.

This paper will address the following questions: What factors have contributed to the decreasing smoking rates in Japan and Sweden? What is the role of tobacco heating products, snus, and nicotine pouches in these declines? What lessons can other countries learn from the experiences of Japan and Sweden? Drawing on various sources, including academic research, government reports, and news articles, this paper will provide a comprehensive overview of the decreasing smoking rates in Japan and Sweden and discuss the implications of these trends for public health. By examining these two countries' experiences, we hope to provide valuable insights into effective strategies for reducing smoking rates and improving public health globally.

Lorenzo Montanari,

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THE EXPERIENCE OF JAPAN

By Yuya Watase, President of the Pacific Alliance Institute, Japan

EXECUTIVE SUMMARY

Japan has long been associated with having higher-than-average smoking rates. Since the start of the twenty-first century, when compared to similar countries, Japan has experienced a notably slower decline in smoking rates. In over fourteen years, its smoking rate only dropped by less than two percent; from 21.6% in 2003 to 19.8% in 2017.

However, the decline in smoking rates has recently accelerated thanks to the introduction of tobacco heating products (THPs) in 2016 and by 2019 had dropped to 17.8%. Japan saw a faster decline in smoking rates in just two years than in the previous fourteen years combined.

This paper explores Japan's long history of high smoking rates and how in the short time span since THPs first entered the market, they've rapidly overtaken cigarette sales. It will look at how this will help improve public health in Japan before finally looking at what other countries can learn from Japan's consumer-led experience.

Specifically, this paper finds that:

- Japan has had high smoking rates for decades, particularly amongst men.
- Tobacco heating products led to a huge drop in cigarette smoking and cigarette sales since they were first introduced in 2016. Cigarette sales have declined by 32% in five years which has implications for Japan both socially and economically.
- Awareness of THPs have driven its success as a viable alternative available for smokers as evidenced by smokers choosing the product to switch and stay away from cigarettes following initial public communications.
- The positive impact on public health of reduced cigarette consumption is encouraging. Tobacco heating products are not risk-free but pose fewer risks than cigarettes

and with time Japan will observe positive public health impacts from this.

- Other countries can learn from what has happened in Japan and should enable access to alternative nicotine products to help smokers quit.

HISTORY OF SMOKING IN JAPAN

DEVELOPMENT OF JAPAN'S SMOKING CULTURE

Since tobacco was first imported into Japan in the 16th century, smoking has continuously grown in popularity in the country. Today, Japan continues to have an international reputation as a 'smoker-friendly' country whereby smoking is commonplace, and cigarettes remain relatively cheap.

During the Second World War, tobacco was a rationed good and Japanese men were only entitled to three cigarettes a day. This led to the perception that cigarettes were a luxury good and subsequently after rationing was lifted in 1950, the number of male smokers subsequently skyrocketed to a high of 83.7% by 1966.

Since this point, the prevalence of smoking has gradually declined but at nowhere near as fast a rate as that observed in other comparable countries.

To this day, a large gender-based deviation in smoking prevalence across the Japanese population can be observed. [As recently as 2005, 49% of Japanese men and 14% of women smoked.](#)

TOBACCO AS A KEY JAPANESE EXPORT

For several centuries, the tobacco industry has remained a key source of income for the Japanese government. This can be traced back to 1898 when the government first implemented a leaf tax to secure tax revenue from tobacco sales, thereby creating a nationalized monopoly.

It was only in 1985 that this monopoly began to end when privately owned Japan

Tobacco (JT) was established. The government slowly began to sell its shares in JT but to this day the Japanese Ministry of Finance is required by law to own at least one-third of JT's stocks.

[Tobacco is still a key Japanese export industry and Japan is currently the 49th largest exporter of raw tobacco in the world.](#)

JAPANESE SMOKING PATTERNS – AN INTERNATIONAL PERSPECTIVE

When compared to similar countries, Japan's smoking rate remains notably higher. Its decline in smoking rates has also been relatively slow, dropping less than two percent in 14 years. Japan also has a much starker gender deviation in smoking habits than that seen in other countries.

RECENT PLUMMET IN SMOKING RATES

Since 2016, smoking rates in Japan have started to plummet. In the two years between 2017 and 2019, smoking levels went from 19.8% to 17.8% – this is the same percentage decrease in smoking achieved in just two years than in the previous fourteen combined. [In 2020, male smoking rates fell to below 30% for the first time in history.](#)

WHAT LED TO THE DECREASE IN SMOKING RATES

Japan has experienced a rapid decline in smoking rates since 2014, with evidence pointing to this being related to the launch of tobacco heating products (THPs) in the country that year. Commercially, THPs were made available nationwide from 2016, and by 2018 it was estimated that Japan represented 85% of global THPs sales.

According to a [survey](#) by the Cancer Control Center and the Osaka International Cancer Institute, from 2015 to 2017, the percentage of people who used THPs increased more than tenfold from 0.3% (2015) to 3.6% (2017).

Since THPs were first introduced to the market in 2016 the rate of decline of cigarette sales has trebled. Between 2011 and 2016 cigarette sales were already slowly declining and fell 14.9% from 197.5 billion units in 2011 to 168 billion units by 2016. In the five-year period between 2016 and 2021, cigarette sales fell almost twice reaching 93.7 billion units in 2021.

[Analysis](#) by Tobacco Intelligence also found that cigarette sales fell below 100bn for the first time in 2020, illustrating the “long-term steady decline” in cigarette consumption since the introduction of THPs in 2014. It also found that the THP market continues to grow and take market share from traditional cigarettes.

Furthermore, the 2021 Knowledge–Action–Change [report](#) on Fighting the Last War, the WHO and International Tobacco Control found that: “In Japan, the introduction of heated tobacco products has seen dramatic falls in sales of cigarettes, down by 32 percent in five years. Heated tobacco products now account for a third of all tobacco sales”.

It also appears the uptick of THPs is heavily concentrated among adults and former smokers. According to a [survey](#) commissioned by the Ministry of Health, Labor and Welfare in 2017, among third-year high school students, just 4.0% of males and 1.6% of females answered that they had ever used THPs. This number was lower than the experimentation of cigarette and e-cigarette use.

[Data](#) from the National Health and Nutrition Survey indicates that THPs play a key role in helping smokers switch and stay away from cigarettes. This research, conducted by the Ministry of Health, Labor and Welfare in 2018, found that smokers were turning to THPs to help reduce the number of cigarettes they consume.

REGULATORY FRAMEWORK

Japan ratified the WHO Framework Convention on Tobacco Control (FCTC) in 2004. The sale of tobacco products is prohibited to those under the age of 20 years old. Since 2003, textual health warnings must cover at least 30% of the front and 30% of the back of the package.

In April 2020, a new smoking law came into effect which prohibits indoor smoking except in hotel rooms, cigar bars and small-sized restaurants and bars that were opened before April 2020. Smoking is prohibited on trains, buses, and airplanes. Some Japanese

cities prohibit smoking on the streets except in designated smoking areas. [Also, E-cigarettes containing nicotine are classified as a medicinal product and are only available on prescription.](#)

Japan's switch to THPs is primarily driven by Japanese smokers. Whilst the government has not disincentivized the use of THPs through implementing restrictions on their use, it has not actively endorsed THPs as a viable alternative to smoking.

[As THPs are classified in a similar way to combustible cigarettes in Japan, they are required to bear 50% graphic health warnings on their packaging and are subject to bans on sales to minors \(under 20s\).](#)

The Health Promotion Act also places THPs under the same regime as tobacco so THPs have similar restrictions on their use in public places. The use of THPs and cigarettes is banned on public transport, in state buildings, hospitals and schools. However, one distinction made between combustible cigarettes and THPs is that it is possible to designate a space for smoking and THP use, and to have separate areas so that those who use THPs are not exposed to cigarette smoke.

The use of THPs is allowed in bars and restaurants of up to 100 square meters and those run by individuals or small and medium-sized businesses, provided that a warning sign is displayed. Otherwise, the product can only be used in designated areas. In practice, most bars and restaurants in Japan qualify for the exemption that allows THPs to be used inside them.

In contrast, smoking has been banned in all restaurants, hotels, and offices since April 2020. Except in designated smoking areas, such as in cigar bars, private homes, or smoking rooms in hotel, smoking in indoor public places is prohibited.

But in 2019, the region of Hyogo Prefecture, which enacted ordinances with penalties for measures against passive smoking ahead of the national government, revised its ordinance not to allow smoking rooms exclusively for THPs. Under the revised Health Promotion Law, smoking rooms exclusively for THPs are recognized as a "temporary measure", however, and five years after the enforcement, the measures can be reviewed, if necessary; but it hasn't been done so far. It is said that research on evaluation and health effects will be promoted.

[In Japan, textual health warnings used on the packaging of both tobacco and THPs must cover >50% of the front and >50% of the back.](#) Further labeling restrictions, such as the use of pictorial warnings, are not expected to be introduced in the future. These

regulations are stipulated based on the Tobacco Business Law under the jurisdiction of the Ministry of Finance.

Regulations on communication of tobacco products in Japan are also subject to Ministry of Finance notifications and industry voluntary standards. Major newspapers can communicate about these products, as well as points of sale and audio-visual.

In fact, the largest internet search volume for THPs occurred in April 2016 in the week after a national TV show covered these products. [Research](#) from the Osaka International Cancer Institute found that respondents who had seen the TV program in 2016 were more likely to have used THPs than those who had not seen it (10.3% vs 2.7%). This shows that in addition to being able to access alternative nicotine products, awareness of these products and relevant information about them is critical to enable smokers to switch and stay away from cigarettes (N. Koei, 2020).

In Japan there are four types of tax levied on cigarettes and THPs. These are national tobacco taxes, local (prefectural and municipal) tobacco taxes, national special tobacco surtax and the sale tax.

These taxes have applied to THPs since 2018, when the Government implemented a tax code revision to introduce THP taxes at a rate of between 70 and 90% of those collected on cigarettes. The “2018 Tax Reform Outline” stated that, “after establishing a new tax category for THPs, the taxation system will be reviewed based on the characteristics of the product”.

WHAT THIS MEANS FOR POLICYMAKING

Several studies have reported the reduced public health risk of THPs compared with cigarettes. For example, a [study](#) by the Japanese Society for Hygiene found that smokers experienced a reduction in reported symptoms when transitioning away from cigarettes to THPs. Six of the Nine participants reported a reduction in their awareness of cough, phlegm, shortness of breath, headache, fatigue, or oral ulcers.

[Research](#) by the state-owned Japan Tobacco has had similar findings. Smokers who smoked cigarettes daily were divided into six groups (four groups switching to THP brands, one group continuing to smoke, and one group quitting altogether), and their

exposure to substances of health concern was investigated over a five-day period. In the group that switched from cigarettes to THPs brands, exposures to many of the substances of health concern measured reduced to levels similar to the group that quit altogether. There was also a significant reduction in exposure to many of the health concerns measured compared to the group who continued to smoke cigarettes. In time, we can expect to see this filtering down to a lower incidence of tobacco-related disease in Japan.

What is also crucial for policymakers to understand is the speed of change in Japan. In just a few years following the introduction of THPs, smoking rates have dropped significantly. What this shows is that, when offered a safer and viable alternative nicotine product, smokers can be expected to switch and stay away from cigarettes more realistically.

CONCLUSIONS ON THE EXPERIENCE OF JAPAN

Until recently, Japan was an outlier in the global trend of an acceleration in the decline of smoking rates seen in many comparable countries in the last two decades as a more conscious effort has been made to reduce incidences of tobacco-related diseases. Japan's smoking rate remained stubbornly high, and the pace of reduction was slow and very incremental.

However, this is no longer the case. Empirical evidence clearly shows that the drop in smoking rates has gained new momentum, and this is related to the launch of THPs onto the Japanese market.

In the five years since THPs first entered the market, cigarette sales dropped by 32% whilst the sales of heated tobacco products grew to count for a third of all tobacco sales. For the first time in history, cigarette sales fell below 100 billion in 2020. THPs continue to take market share from traditional cigarettes and now represent 47.3% of Japan's tobacco market since September 2021. After COVID-19, Japan is set to update the statistics by the end of 2023.

The scientific evidence shows that when switching to THPs, smokers experience an immediate reduction in symptoms, and laboratory testing clearly reveals a reduction in biomarkers of harm for users of THPs than those seen in users of cigarettes. In the

medium to longer term, this is likely to contribute to a significant improvement in public health and lead to a reduction in incidences of tobacco-related diseases.

The case of Japan shows the key role safer nicotine products play in rapidly reducing smoking rates that the government tried to reduce for many years with minimal success through other public health initiatives even in countries where smoking is embedded as part of its culture.

Policymakers worldwide can learn from Japan that the key for helping smokers to stay away from cigarettes is to offer them a viable alternative nicotine product and provide a jump start to reducing smoking rates in their own countries.

THE EXPERIENCE OF SWEDEN

By Anders Ydstedt, chairman of Scantech Strategy Advisors and Kalle Bäck researcher at Scantech Strategy Advisors

EXECUTIVE SUMMARY

The Swedish example shows that safer alternative products are critical to achieve a smoke-free goal of 5% smoking incidence. The country has unique tobacco consumption habits, which stems from the high prevalence of oral nicotine and different kind of pouches instead of cigarettes. For several decades, an increasing number of Swedish smokers have turned to snus, particularly men. The introduction of nicotine pouches, a tobacco-free alternative to snus, in recent years has helped more female Swedish smokers to switch and stay away from cigarettes.

Through providing Swedish smokers a wide choice of alternative products, Sweden has raced ahead to becoming a smoke-free society. Even though the total nicotine consumption levels in Sweden are comparable with other countries, the consumption of cigarettes is significantly lower in Sweden compared to other European countries. In the last ten years, the smoking rate in Sweden has more than halved from 11.4% in 2012 to just 5.6% in 2022. In this same period, its total consumption of nicotine, using products such as snus and nicotine pouches, has remained largely constant, slightly growing from 11.2% in 2012 to 13.7% in 2022 (Folkhälsomyndigheten, 2022).

This paper explores the reasons behind Sweden's low smoking rates of almost 5%, the

long-term effects of enabling smokers to switch to alternative nicotine products, as well as the conclusions other countries can draw.

Specifically, this paper finds that:

- Availability of different safer nicotine products (i.e., snus, nicotine pouches, vaping, and tobacco heated products) have enabled Swedish smokers to switch and stay away from cigarettes.
- Of these, the availability of oral nicotine products has been the most important factor in driving down smoking rates.
- Sweden has a long-term tradition of using snus. Historically this has been the driver of its lower smoking rates.
- Snus is forbidden to sell and export in the EU, but given the importance of snus for Sweden, it was granted an exemption upon joining the EU in 1995.
- A new law was introduced in August 2022 that covers tobacco-free products containing nicotine for consumption, for example nicotine pouches. Nicotine pouches are now treated as almost equal to snus but fall under different legislation.
- Nowadays, smokers who did not switch to snus are switching to vaping or tobacco-free nicotine pouches, particularly women. [Polling](#) completed by IPSOS found that whilst snus overall remains the most popular in Sweden, for women tobacco-free alternatives such as nicotine pouches and vaping remain the most popular alternative.
- Sweden's low smoking rates have had long-ranging public health benefits, including a significantly reduced incidence of tobacco-related cancers compared with European averages. [However, use of nicotine remains high with 24.3% of the population using tobacco or nicotine products daily.](#)
- The introduction of nicotine pouches, which, unlike snus, do not contain tobacco, has accelerated Sweden's rapid descent in smoking rates. This is particularly the case amongst women. In the last ten years smoking rates for women have declined by 6.1% whilst women's use of snus and nicotine pouches has risen by 3.5% (Folkhälsomyndigheten, 2022).
- Other countries can and should take lessons from the Swedish experience.

HISTORY OF SMOKING IN SWEDEN

To understand why Sweden is the largest market in the EU for nicotine pouches, we must be aware of the tradition of snus in Sweden which goes back several centuries. The word snus was first mentioned in 1637 in a customs book. At that time, snus was a dry tobacco meant to be inhaled through the nose. [But it was not until the beginning of the 19th century when Swedes started to mix salt, water, and tobacco, that this became something that people would use in general.](#)

At the beginning of the 20th century, Swedes consumed an average of 1.3 kilos of tobacco every year. [Most of it was Swedish-made and 70 percent of this was snus.](#)

In the middle of the 20th century the popularity of snus declined as consumption of cigarettes rose. By 1963, Sweden's smoking rate rose to a peak of 36% with 49% of males being smokers. [Today, smoking amongst Swedish men has dropped to 5.6%.](#)

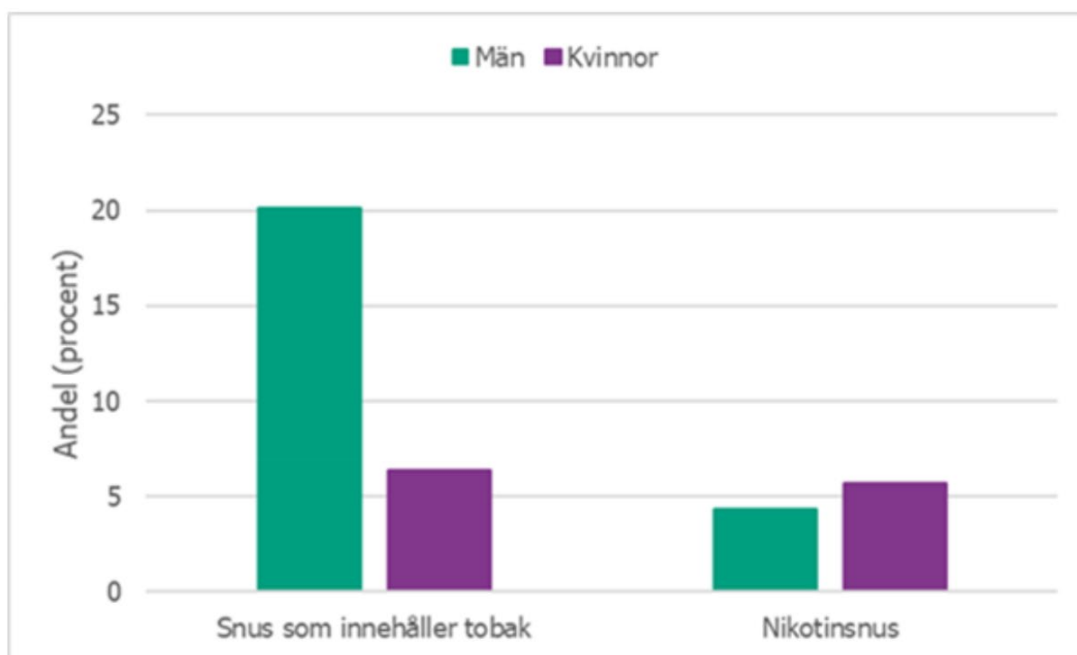
The development of a debate about the health effects of smoking, which first started in the late 1950s, contributed to changing habits of tobacco consumption. By the end of the 1960s the popularity of snus started to increase once more. In the 1970s, snus pouches were introduced for the first time. This marked a new era in the use of snus in Sweden.

In 1993, a new law was introduced that established non-smoking areas in workplaces and other public spaces. This created an additional incentive for Swedes to use snus, which did not fall under these same restrictions, instead of combustible cigarettes. The impact of this law was clear, especially on the consumption habits of the younger generation.

During recent years new products have entered the Swedish market, including tobacco heating products, vaping products, and nicotine pouches. Some of these products have been used by smokers who previously did not switch from cigarettes to snus contributing to the decline in smoking rates. Nicotine pouches became relevant amongst smokers since they were introduced in 2016. Pouches have become the most popular category in Sweden; nicotine pouches have 13.7% share of the market, with 2.7% using nicotine pouches in 2022 accordingly.

WHAT LED TO THE DECREASE IN SMOKING RATES

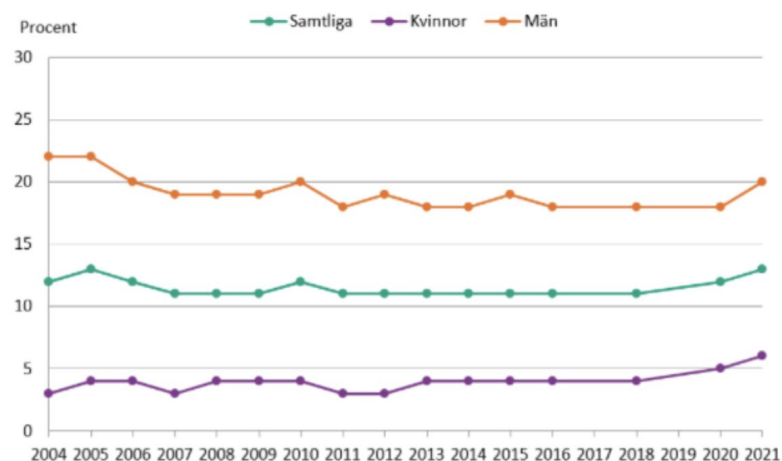
The case of Sweden provides the strongest example of the role that alternative nicotine products, particularly pouches, can play in reducing smoking prevalence. Sweden is the only EU Member State where the sale of snus is currently permitted, along with Norway and Iceland as members of the European Economic Area. It remains the only EU member state which permits all four categories of alternative nicotine products. Ever since the introduction of nicotine pouches in 2016 it has taken over larger parts of the tobacco market in Sweden.



Sweden has demonstrated that by allowing safer nicotine products, particularly pouches, on the market, it is possible to achieve low smoking prevalence. [Current smoking prevalence in Sweden \(daily smokers\) is 5.6% – the lowest in Europe.](#) (Fig.2)

Whilst the number of smokers has decreased, the share of the population who use nicotine seems to have remained intact. According to data from Swedish Match, "Sweden has more than one million snus and nicotine pouch consumers, and the consumer base continues to grow. It is estimated that more than 24% of Swedish men and more than 13% of Swedish women use snus/nicotine pouches on a regular basis. It is estimated that

Figure 3. Proportion (per cent) of people aged 16–84 who reported daily use of snus during the period 2004–2021, broken down by gender.

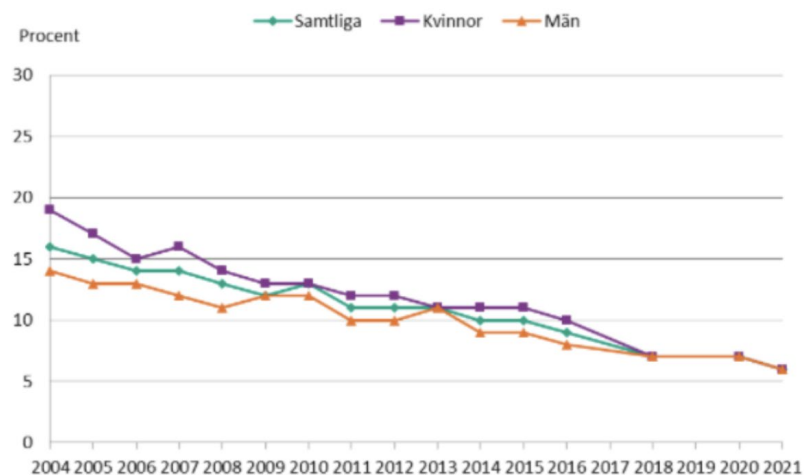


Source: National public health survey "Health on equal terms?", 2020, Public Health Agency.

more than half of the nicotine pouch consumers are women" (Ipsos, 2020). (Fig.3)

As previously discussed, the consumption of cigarettes is lower in Sweden especially among men, compared to consumption levels seen in other European countries. A study by University of Medicine and Dentistry from 2003 stated that: "There has been a larger drop in male daily smoking (from 40% in 1976 to 15% in 2002) than female daily smoking (34% in 1976 to 20% in 2002) in Sweden, with a substantial proportion (around 30%) of male ex-smokers using snus when quitting smoking. (Fig.4)

Figure 4. Proportion (per cent) of people aged 16–84 who reported daily tobacco smoking during the period 2004–2021, broken down by gender.



A 2016 [study](#) led by the Institute for Tobacco Studies, Sweden, found "more than eight out of ten smokers who started using snus had quit daily smoking and that almost one third no longer used any form of tobacco on a daily basis". The authors concluded that dual use appeared to represent a transient rather than permanent state and that uptick of snus use among smokers may be a steppingstone

towards changing or quitting their tobacco use.

But there is also a gender aspect to Sweden's tobacco consumption habits. Swedish women's tobacco consumption is more similar to patterns of tobacco consumption seen by women in other European countries. In short, Swedish women smoke more than

Swedish men. [Therefore, Swedish women are at a greater risk than men of suffering from tobacco-related diseases such as lung cancer.](#) Thus the availability of alternative nicotine products has helped reduce the smoking rate of Swedish women which in time will reduce the prevalence of tobacco-related diseases observed in Swedish women.

However, data from Public Health Agency of Sweden (Folkhälsomyndigheten) show that the share of women who use nicotine pouches is higher than men who have a higher prevalence of snus use. Therefore, women using nicotine pouches instead of cigarettes since they first came onto the market in 2018 is a great contribution to reducing smoking prevalence and smoking-related diseases.

Nicotine pouches have become the fastest growing alternative nicotine product within the Scandinavian market, and Sweden continues to have the lowest smoking prevalence rate in Europe. Sweden is the largest market in the EU for nicotine pouches that are used by 3.4% of the adult population (roughly 269,000 users). In 2021, nicotine pouches had an estimated market size of €286 million.

The potential on the Swedish market is big for more people to use nicotine pouches instead of smoking.

THE CURRENT SWEDISH POLICY APPROACH

The Public Health Agency of Sweden states that the [“overall goal of Swedish tobacco policy is to reduce all tobacco use and prevent minors from starting to use tobacco”](#). [There are many different products that contain tobacco, such as cigarettes, snus, hookah tobacco and chewing tobacco. The legislation in the tobacco area covers both tobacco products and tobacco-like products, such as electronic cigarettes and herbal products for smoking.](#)

This quote from the Swedish Public Health Agency sums up the Swedish approach to tobacco for the last few decades. It clearly shows how the legislation in place in Sweden aims to reduce the use of tobacco and the health effects of it. Both authorities and politicians claim that reducing tobacco consumption is best done by placing an age limit on buying tobacco products through limiting the public areas where smoking is permitted and through high taxes on tobacco products.

Sweden’s tobacco legislation has been updated several times for many reasons. One of them is to regulate when new products are introduced on the market. As previously mentioned, the law establishing non-smoking areas in workplaces was first introduced

in 1993. This law has been revised a couple of times through the years to introduce additional tobacco control measures. For example, the law was amended to clearly state that, "...the labeling on packaging for tobacco products or on the tobacco product itself must not be given either suggest that a particular tobacco product has environmental benefits, or refer to taste, aroma or additives." [Crucially, "the prohibition against referring to taste, aroma or additives" does not apply to snus.](#) Snus is, in other words, treated differently than other tobacco products in Sweden. Nicotine pouches have experienced this same differentiation in status under the law that is enjoyed by snus since they came onto the Swedish market.

[Sweden is the only country in the EU that allows snus, under the EU Tobacco Products Directive.](#) The special status of snus in the Swedish context was already made clear when Sweden became a member of the European Union in 1995. It is forbidden to export snus to other EU-countries, but Sweden has a domestic treaty exception for selling Swedish snus. This says a lot about how important the tradition of snus is to the Swedes, even though the authorities are struggling to minimize all use of tobacco products.

NEW LEGISLATION IN AUGUST 2022 ON TOBACCO AND NICOTINE PRODUCTS

Ever since nicotine pouches were first introduced in 2018, they have taken over a large portion of the tobacco market in Sweden. This has caused a debate about how these new products should be seen from a legal and fiscal point of view. In 2020, the government instigated a state investigation to analyze the Swedish rules on marketing and sponsorship of tobacco, vaping devices, and refill containers and to take a position on whether the regulations regarding these should be tightened, and how tobacco-free nicotine products should be regulated (SOU, 2022).

This was also made clear in the 2021 budget where the government stated that it is important to take a comprehensive approach to all addictive products that contain nicotine, regardless of whether they contain tobacco (Utgiftsområde, 2021). It is clear that this was a way to address a number of other products containing nicotine that are sold in addition to traditional tobacco products. Still the government mentioned that smoking is one of the main preventable risk factors for illness and premature death, but the use of other products with tobacco or nicotine also risks creating addiction, ill health, and illness.

The report SOU 2021:22 called for new legislation to be introduced to cover nicotine products that contain nicotine for consumption. Regulating these products in "essen-

tially the same way as other products in the area of tobacco is therefore a reasonable starting point”, the report said (SOU, 2021). Additionally, it said that the products should not be allowed to contain vitamins or other additives that give the impression that the product entails a health advantage or reduced health risks. Nor should they be allowed to contain caffeine, taurine or other additives or stimulants associated with energy and vitality.

The report stated that in view of considerations including the freedom of the press and freedom of expression that are laid down in the Swedish Constitution, a requirement of particular moderation is proposed for these products instead of various marketing bans (SOU, 2021). On the other hand, a ban was also proposed on commercial adverts in radio and television for tobacco-free nicotine products. Finally, the report also proposed age-requirement rules for purchase of these products (SOU, 2021).

A proposition for new legislation was presented to the Swedish parliament (Riksdagen) by the government in March 2022 and harmonizes it with the EU Tobacco Products Directive that has been implemented in Sweden through its EU membership (2018). A new law is due to be introduced that will cover tobacco-free products containing nicotine for consumption. The purpose of the law was to limit the health risks and inconveniences associated with the use of tobacco-free nicotine products. The law contained provisions on product notification, product requirements, sales, and marketing of tobacco-free nicotine. The proposals had been designed to include nicotine products that have yet to be developed (Regeringens, 2021).

In general, the proposed law contained almost the same elements as the public report mentioned above. [But the Swedish Parliament \(Riksdagen\) said no to the government’s proposal to ban additives to electronic cigarettes that lead to a clear smell or taste of something other than tobacco.](#) Apart from this, the new law was established by Riksdagen in June 2022 and the new rules were mainly implemented on 1 August 2022.

APPROACH TO TAXATION – RECOGNITION OF REDUCED RISKS

Sweden’s tobacco taxation strategy is based around proportionate excise that reflects the lower risk associated with alternatives to cigarettes. Nicotine pouches have the lowest excise rate when compared to the excise applied to cigarettes. This is reflected in comments made by former Swedish Minister of Finance Mikael Damberg in April 2022.

Tobacco and nicotine taxes are already structured today so that products

are generally taxed based on their dangerousness. Products deemed to be hazardous to health are taxed and products deemed to be more hazardous to health have a higher tax. This means, for example, that cigarettes and smoking tobacco are taxed significantly higher than snus. This has been justified by the fact that cigarettes are generally considered more harmful than snus, although snus also increases the risk of ill health and disease.

When it comes to taxation on tobacco-products, snus and nicotine pouches have a lower tax rate than other tobacco containing products. For example, the tax on smoking tobacco (which does not include cigarettes) is 1,997 SEK per kilogram and compared to 468 SEK per kilogram when it comes to snus. The situation for the taxation of ordinary cigarettes is more complicated. The tax per package is calculated: 1.64 SEK x number of cigarettes + 1% x retail price. Example: 20-pack of cigarettes with a retail price of SEK 60. The tax is then calculated: SEK 1.64 x 20 pieces + 1% x SEK 60 = SEK 33.40 per package. A report from an institute related to the Finance ministry from 2019 – Synd och skatt – shows that the state collects more than five times as much in tax as the highest available calculation for the social costs of snus.

Apart from the ordinary tobacco taxes, Sweden has had a specific tax on nicotine since 2018. The nicotine tax includes different types of nicotine products and are paid either based on the volume of liquid or by the product's weight.

The increase in the nicotine tax can therefore be related to how sales of pouches have increased. According to information from the Swedish Tax Agency, SEK 10.1 million was paid in nicotine taxes in the second half of 2018. For the first half of 2019, this had increased to SEK 32.2 million by the first half of 2019, and by the second half of 2019 it had increased further to SEK 49.9 million. In the first half of 2020, the nicotine tax paid was SEK 55.5 million. This represents an increase of 150% in just one year (when you compare the second half of 2019 to the first half of 2020 and the second half of 2018 with the second half of 2019). The data on nicotine tax income are in line with the development described above, with an increase of the share of pouches in the Swedish market from two percent in 2018 to 6 percent in 2019.

This fast increase in market share, is a sign of the potential nicotine pouches have when it comes to the Swedish market.

POLITICAL PARTIES

Even though the new law on nicotine has passed in the Riksdag, there are substantial differences in how the political parties and relevant actors such as the Social Affairs Committee view the regulation of emerging nicotine alternatives and the potential harm these products may cause.

The Social Affairs Committee in the Riksdagen mainly supported the government's proposal for a new law on tobacco-free nicotine products, except the proposal to ban additives in electronic cigarettes (Socialutskottets betänkande, 2021). But there are some differences between the political parties.

The Swedish Democrats (Sverigedemokraterna) have called for nicotine pouches, a new form of 'white' snus, which unlike traditional snus does not contain nicotine, to be distinguished from regular snus. They argue that this would promote more people to adopt less harmful alternatives and help achieve a smoke-free Sweden (Motion till riksdagen, 2021). The Conservative Party (Moderaterna) has called for the introduction of tobacco-free school hours citing concerns about tobacco use in students. This has led to a [debate](#) over the pride associated with Swedish snus, and new products that are less harmful should be welcomed, not inhibited.

This illustrates that in the Swedish political debate, most parties are in favor of harm reduction, and nicotine pouches are often seen as a tool to reduce smoking rates further.

Even though there is still quite a strong consensus among the Swedish parties about a restrictive policy on tobacco and nicotine products, pouches have a strong position, and no-one seems to question the role of these products.

OTHER ACTORS AND ORGANIZATIONS IN THE PUBLIC DEBATE

There are of course organizations who are against all kinds of tobacco and nicotine and advocate to minimize the market for these kinds of products.

The organization a 'Non-Smoking Generation' supports a "total ban on advertising for any tobacco or nicotine product". They say that "popular influencers should no longer advertise white snus on Social Media" (Nerikes Allehanda, 2022). This is a viewpoint

within the Swedish context that is seen as quite unusual and even extreme.

On the other hand, the [Snus Commission](#) has a more traditional view. In a debate with the Minister of Social Affairs, Lena Hallengren (S), in 2021, the representatives from the commission pointed out that snus and nicotine pouches are an important reason as to why Sweden has a markedly lower rate of smoking than other countries. The Snus Commission states that, “The now branded nicotine products, including the tobacco-free one nicotine snus, is, for many, a desirable alternative to the cigarettes” (Dagens Nyheter).

These are two examples that illustrate the debate within Sweden extremely well. One of the actors is focused on banning tobacco and nicotine itself, and one has a more traditional approach to snus, which can also be applied on nicotine pouches.

WHAT THIS MEANS FOR POLICYMAKING

Data from the World Health Organization shows that Sweden has the lowest lung cancer incidence (17.7 per 100,000) in the EU and the lowest incidence of lung cancer mortality (14.4 per 100,000). Sweden has created a blueprint for other countries to follow and proven that in practice, alternative nicotine products work to reduce smoking rates.

Other countries can replicate Sweden’s success in reducing their smoking rates and driving down incidences of tobacco-related diseases through embracing a tobacco harm reduction approach and ensuring smokers are provided with viable alternative products.

In its approach to taxing tobacco, whereby the excise rate applied is based on a continuum of risk, Sweden has incentivized its citizens to switch to reduced risk products. This has allowed Sweden to offer a wide range of alternative products at all price points to suit the preference of every nicotine user. Over several decades, Sweden has made alternatives to cigarettes accessible, affordable, and socially acceptable.

The cases of Sweden show that there is no one single alternative nicotine product that works for all smokers. Whilst snus consumption helped reduce smoking rates in Swedish men, in women it was the emergence of nicotine pouches on the market that accelerated the decline in smoking rates.

CONCLUSIONS ON THE EXPERIENCE OF SWEDEN

As Sweden is on the brink of eliminating smoking completely and becoming the first country in the world to be smoke free, it has paved the way in showing how by embracing tobacco harm reduction, and ensuring the widespread availability of alternative nicotine products, countries can dramatically reduce their smoking rates. Despite having the lowest rate of smoking in the EU, Sweden's total nicotine consumption levels remain comparable with other EU countries. This highlights the crucial role alternative nicotine products have played in driving down smoking rates through providing smokers with a viable alternative to the nicotine consumed in cigarettes; they are able to switch away for good.

The Swedish Experience shows other countries too can change consumption habits surrounding cigarettes through ensuring alternative nicotine products are accessible, affordable, and promoted to smokers to help them transition.

With the lowest incidence of lung cancer in Europe, Sweden's health system is reaping the rewards of its long-term embrace of a tobacco harm reduction approach and promotion of alternative nicotine products.

As illustrated in the table below which compares the smoking rate in Sweden with several other similar countries, through adopting the Swedish model of increasing accessibility to alternative nicotine products, other countries have the potential to make significant inroads in reducing their currently significantly higher smoking rates.

Swedish smoking rates compared with other countries

<u>Country</u>	<u>% Smoking Rate 2020</u>	<u>% Smoking Rate 2017</u>	<u>% Smoking Rate 2014</u>
Canada	10	16	18.1
France	28	36	40
Germany	24	25	27
Italy	23	24	27
Japan	16.7	17.7	19.6
New Zealand	8 (2022)		
Sweden	7	7	11
UK	12	17	22

To drive down smoking rates for good, governments worldwide should recognize the plethora of scientific evidence that shows the role smoke-free alternatives have, such as showing that smoke-free alternatives, such as nicotine pouches, are less harmful and pose fewer health risks than smoking, and thus incentivize their populations to switch.

It has been estimated that if other European countries ensured availability to a range of alternative nicotine products and encouraged smokers to use these products to help them quit, over the next decade, more than 3.5 million early deaths could be prevented (Snus Commission, 2017). Through adopting the Swedish model of making alternative nicotine products widely available, public health authorities worldwide can make rapid progress in driving down their smoking rates.

CONCLUSION

The experiences of Japan and Sweden demonstrate the significant impact that the availability of safer alternatives to smoking can have on reducing smoking rates. Both countries have seen a decline in smoking as smokers switched to safer nicotine products, such as snus, nicotine pouches and tobacco heating products. These successes

suggest that other countries can achieve similar results by enabling this switch.

In both Japan and Sweden, the reduction of smoking was driven by smokers themselves. While neither the Japanese nor the Swedish governments took action to discourage the use of safer nicotine products, they did not actively encourage smokers to make this switch. This shows that many smokers who are likely aware of the health risks associated with cigarettes are motivated to quit, they just need to be given access to acceptable (realistic) alternatives.

Scientific research consistently supports that safer nicotine products are less harmful than cigarettes. This evidence underscores the importance of encouraging smokers to switch to these alternatives to reduce the risks of smoking-related diseases. Policymakers should consider lifting bans on safer nicotine products, reducing taxes on these products, and making them accessible across retail channels, including online, and acceptable, in terms of their nicotine levels and flavors. Public education campaigns should also be implemented to raise awareness about these products.

By adopting these recommendations, policymakers can contribute to achieving “smoke-free” goals.

The experiences of Japan and Sweden also demonstrate the importance of tailoring tobacco harm reduction strategies to each country’s specific cultural and social contexts. In Japan, the introduction of tobacco heating products has been particularly successful due to the country’s history of high smoking rates and rapid adoption of new technology. As a result, since tobacco heating products were first introduced on the market in 2016, cigarettes sales have dropped by 32% in just five years. In Sweden, the country’s unique tobacco consumption habits and availability of oral nicotine products have facilitated the widespread use of snus and nicotine pouches. Countries can more effectively reduce smoking rates and improve public health outcomes by taking a tailored approach.

In conclusion, the experiences of Japan and Sweden serve as valuable lessons for policymakers worldwide. Ensuring the widespread availability of safer nicotine products can substantially reduce smoking rates and improve public health globally. By prioritizing these measures, countries can make significant progress towards becoming “smoke-free”.

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