

# ASSESSING THE EFFECTIVENESS OF THE TOBACCO EXCISE DIRECTIVE: BELGIUM

REPORT FOR TOBACCO EUROPE

FEBRUARY 2026

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## FEBRUARY 2026

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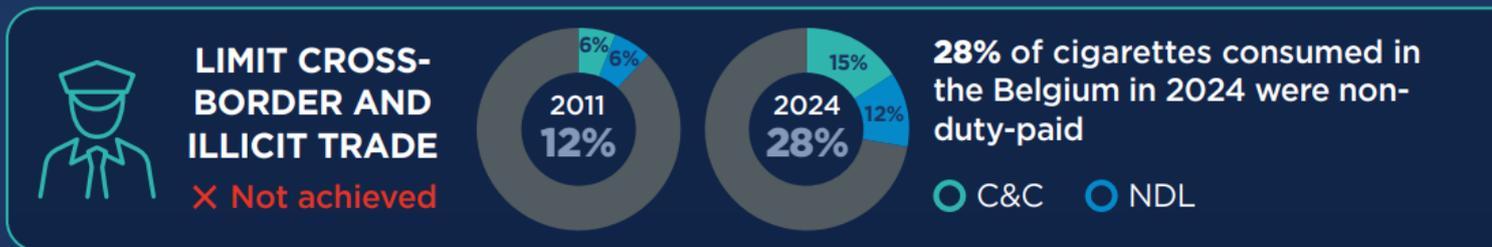
# BELGIUM

## CIGARETTE TAX POLICY OUTCOMES 2011-2024

### POLICY APPROACH



### POLICY GOAL OUTCOMES



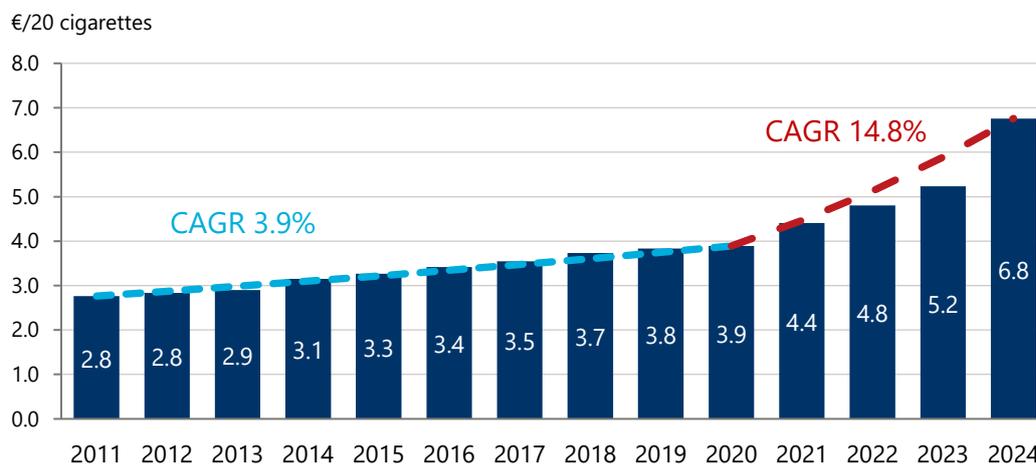
Belgium gradually increased its tobacco taxes until 2020, after which the pace of increases accelerated, culminating in a sharp 29% increase between 2023 and 2024. While fiscal revenues increased, Belgium's other policy objectives were not met. Legal domestic consumption declined, but this was partially offset by the rise in non-domestic and illicit purchases which limited further fiscal gains.

Neighbouring countries included are those with lower WAP levels. Totals may not sum due to rounding.

### 1.1.1 Belgium case study

The Belgian government has gradually increased tobacco excise duties over time as part of its efforts to discourage consumption and align with broader EU objectives. The most recent and steeper increase raised the excise duty from €5.23 in 2023 to €6.76 in 2024.<sup>1,2</sup>

**Fig. 1. Excise yield in Belgium, 2011 to 2024**



Source: European Commission

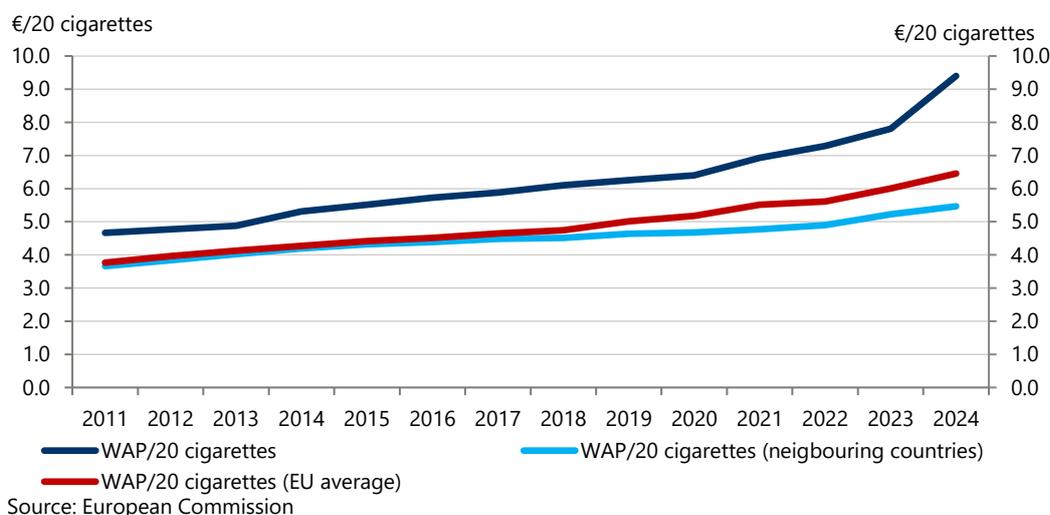
#### Objective: Price convergence

Excise tax increases have translated directly into higher retail prices. Between 2023 and 2024, the average price of a 20-cigarette pack rose sharply from €7.81 to €9.40, an increase of around 20%, reflecting the steeper excise adjustment. Over the 2011–2024 period, prices in neighbouring countries — including Germany, Poland, Luxembourg, and — as well as the EU average have remained consistently lower than in Belgium. The price gap with neighbouring countries widened markedly from €2.39 per pack in 2022 to €3.93 in 2024, while the differential with the EU average expanded from €1.68 to €2.94 per pack over the same period, underscoring the growing price divergence within the single market.

<sup>1</sup> The Brussels Times, "[Belgium will raise tobacco prices by over a euro in 2021](#)", accessed October 2025

<sup>2</sup> The Brussels Times, "[Cigarette prices to increase by up to €1 in Belgium](#)", accessed October 2025

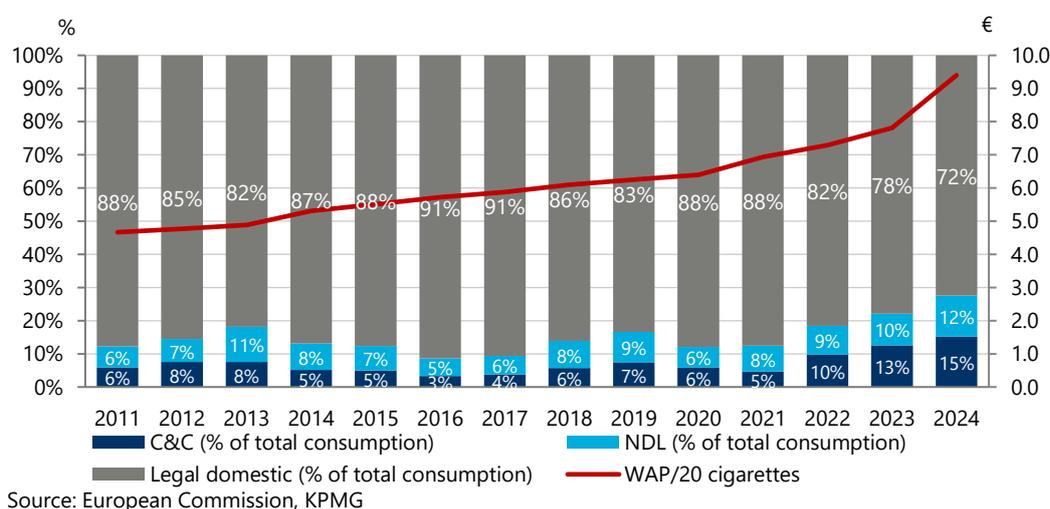
**Fig. 2. WAP of cigarettes in Belgium, neighbouring countries<sup>3</sup>, and the EU average, 2011 to 2024**



**Objective: Limit cross-border and illicit trade**

As domestic excise duties have continued to rise, non-domestic cigarette consumption has also increased. Since 2022, both C&C and NDL shares have increased, bringing total DNP consumption to around 28% of total cigarette consumption in 2024.

**Fig. 3. Legal domestic, NDL, and C&C consumption cigarettes (% of total consumption of cigarettes) in Belgium, 2011 to 2024**

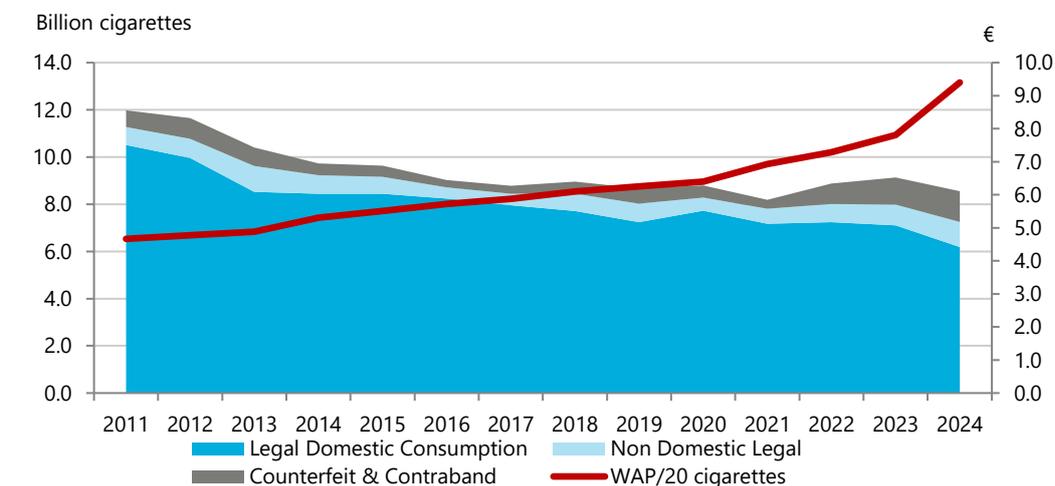


Total cigarette consumption increased by an estimated 4% between 2021 and 2024, driven largely by growth in DNP consumption, which offset the decline in legal domestic sales. C&C volumes rose by 242%, while NDL volumes also increased, though more moderately at around 66%. The growth in DNP consumption reflects sustained cross-border purchasing and Belgium’s ongoing role as a logistics and

<sup>3</sup> This is the average WAP in Germany, Poland, and Luxembourg.

distribution hub for cigarette flows within Europe, supported by its strategic location and transport infrastructure, including the port of Antwerp, which connects to major consumer markets such as France and the UK.<sup>4</sup>

**Fig. 4. Volume of legal domestic consumption of cigarettes, duty-not-paid cigarettes, and WAP of cigarettes in Belgium, 2011 to 2024**



Source: European Commission, KPMG

**Objective: Maintain stable tax revenues**

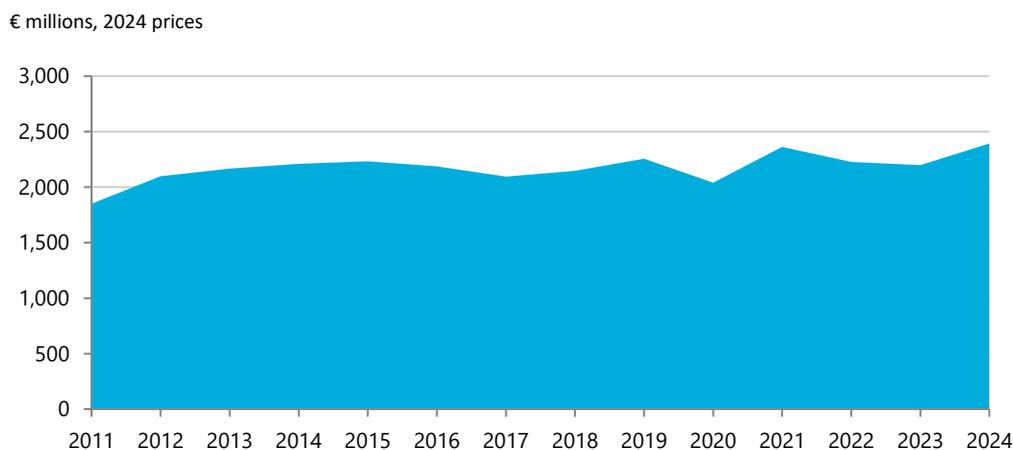
Real tax receipts from cigarettes in Belgium increased steadily between 2011 and 2024, with a CAGR of around 2.0%. This reflects sustained revenue growth supported by successive excise increases that offset declining domestic volumes. However, the expansion of DNP consumption has constrained the full fiscal gains from higher excise rates. KPMG estimates that the Belgian government lost approximately €544 million in tax revenue in 2024 due to C&C activity, underscoring continued pressure on the domestic tax base despite stronger receipts.<sup>5,6</sup>

<sup>4</sup> The Bulletin, “[Illicit consumption of cigarettes in Belgium rises to 13% says new report amid EU-wide increase](#)”, accessed October 2025

<sup>5</sup> KPMG, “[Illicit cigarette consumption in Europe](#)”, June 2025, accessed October 2025

<sup>6</sup> Total tax revenue lost represents estimated excise and VAT if C&C volumes had been consumed legally in the country.

**Fig. 5. Real cigarettes excise tax receipts in Belgium, 2011 to 2024**



Source: European Commission

### Assessment and implications

Belgium’s tobacco excise policy has achieved its objective of raising prices, but at the cost of encouraging non-domestic consumption. Between 2011 and 2024, the average pack price nearly doubled, outpacing regional and EU averages. However, as prices rose, both C&C and NDL shares increased, and total DNP consumption reached around 28% of total cigarette use in 2024.

Real cigarette excise receipts grew at a CAGR of 2.0% over the period, slower than the growth rate of the excise yield, and DNP inflows continue to erode the taxable base, with KPMG estimating annual revenue losses of roughly €544 million in 2024 linked to C&C activity.



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