

ASSESSING THE EFFECTIVENESS OF THE TOBACCO EXCISE DIRECTIVE: FRANCE

REPORT FOR TOBACCO EUROPE

FEBRUARY 2026

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To discuss the report further please contact:

Vasilis Douzenis: vdouzenis@oxfordeconomics.com

Oxford Economics

4 Millbank, London SW1P 3JA, UK

Tel: +44 203 910 8061

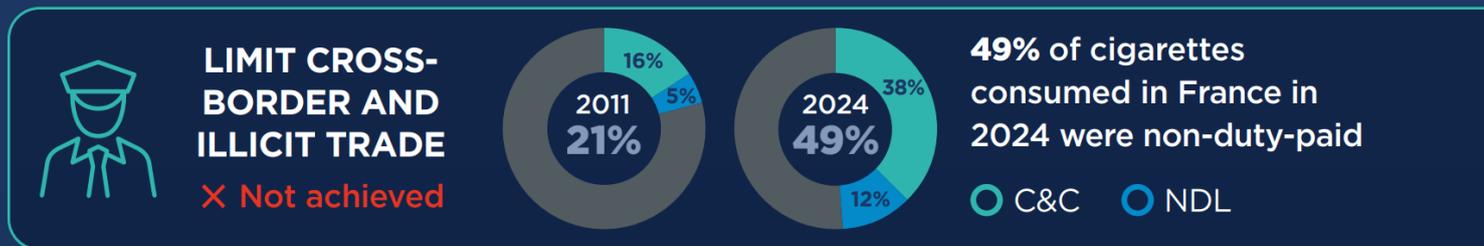
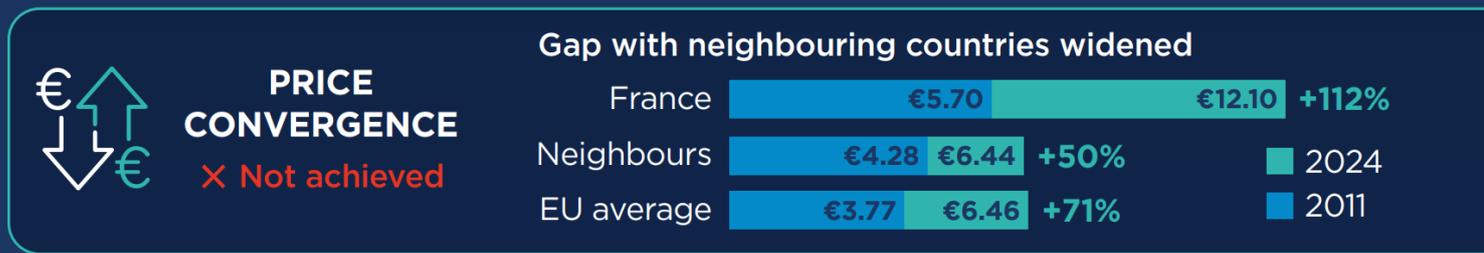
FRANCE

CIGARETTE TAX POLICY OUTCOMES 2011-2024

POLICY APPROACH



POLICY GOAL OUTCOMES



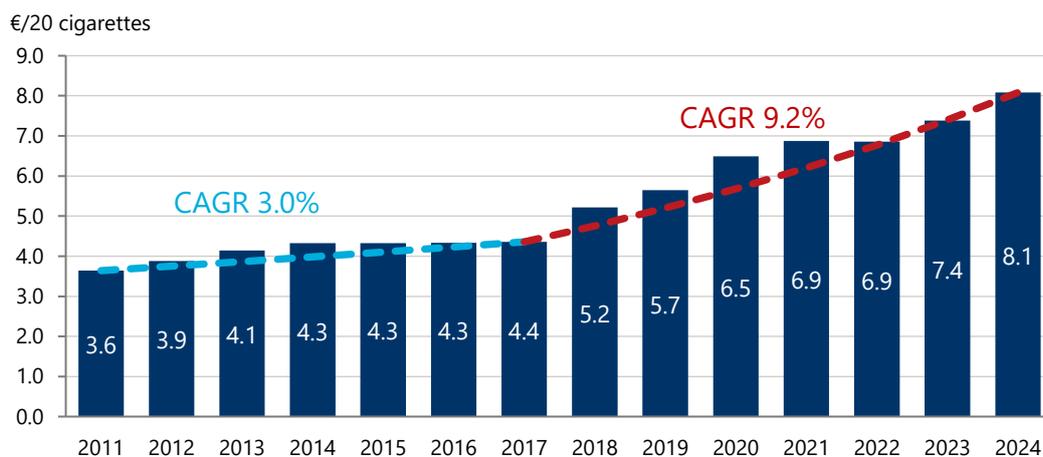
France's aggressive tobacco tax policy—far exceeding EU minimum rates—has not met its objectives. While domestic legal consumption declined, the rise in cross-border and illicit purchases offset the impact, undermining fiscal goals and failing to deliver the expected drop in total consumption.

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

1.1.1 France case study

France is among the countries with the most aggressive tobacco taxation policies. The excise yield rose by 122% between 2011 and 2024, with steady increases from 2011 to 2017, when yields ranged between €3.64 and €4.36 per pack of 20 cigarettes. In 2018, a sharp hike of around 20% marked the start of a faster upward trend, bringing the yield to €8.08 by 2024. This acceleration is linked to the 2018–2022 National Tobacco Control Strategy, which set a target price of €10 per pack, achieved in 2020 through successive increases.¹

Fig. 1. Excise yield in France, 2011 to 2024



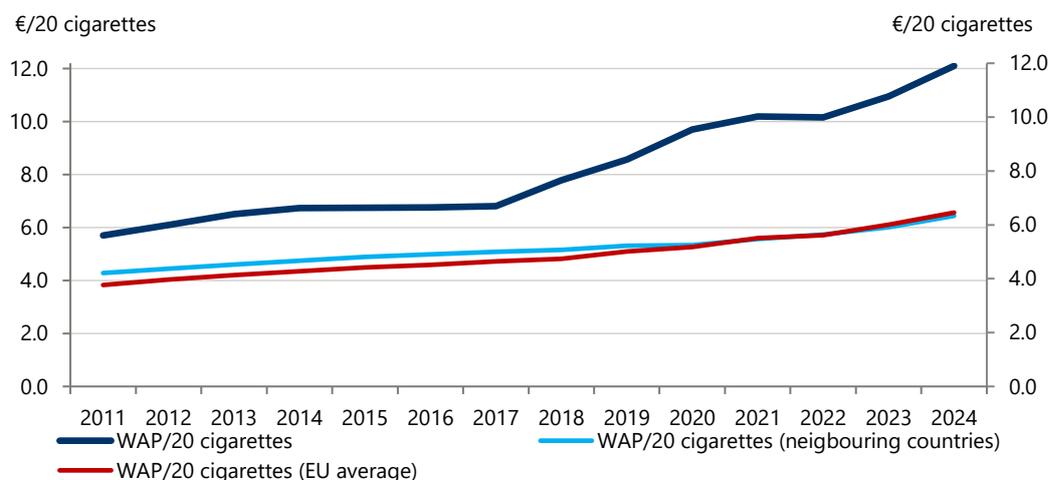
Source: European Commission

Objective: Price convergence

Excise hikes translated directly into higher retail prices. Between 2011 and 2024, the average price of a 20-cigarette pack surged from €5.70 to €12.10, an increase of 112%. By comparison, prices in neighbouring countries and across the EU remained much lower, increasing by about 50% and 71% respectively over the same period, to reach €6.44 and €6.46 per pack in 2024. Following the launch of the National Tobacco Control Strategy in 2018, the gap with both neighbours and the EU average widened further.

¹ The Independent, ["France to raise price of cigarettes in bid to stub out national nicotine habit"](#), accessed September 2025

Fig. 2. WAP of cigarettes in France, neighbouring countries², and the EU average, 2011 to 2024

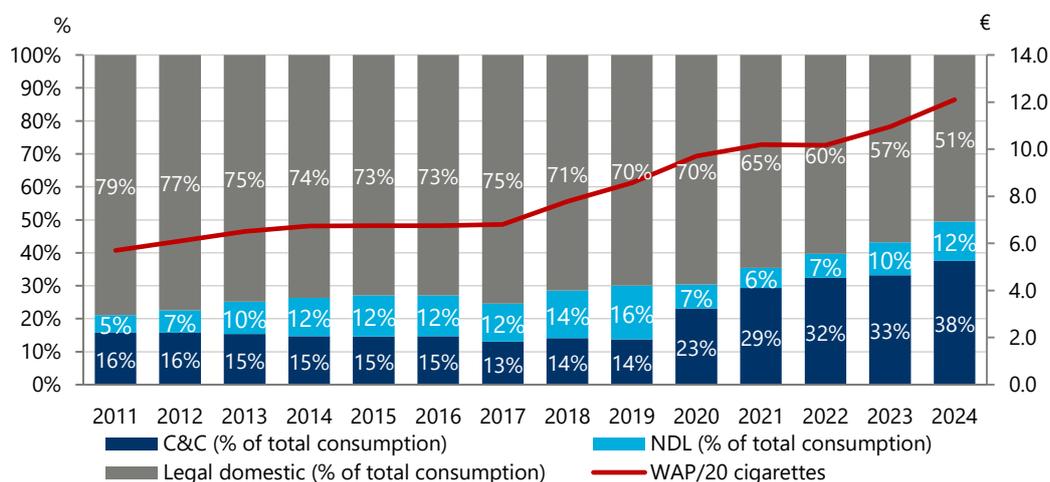


Source: European Commission

Objective: Limit cross-border and illicit trade

Nearly half of all cigarettes consumed in France now fall outside the domestic tax base. The share of C&C consumption has been increasing, reaching 38% of total consumption in 2024. At the same time, NDL purchases rose steadily until 2019. This trend reversed during the Covid-19 pandemic, when travel restrictions curtailed cross-border purchases.³ Since then, however, the share of NDL tobacco in overall consumption appears to be rebounding.

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



Source: European Commission, KPMG

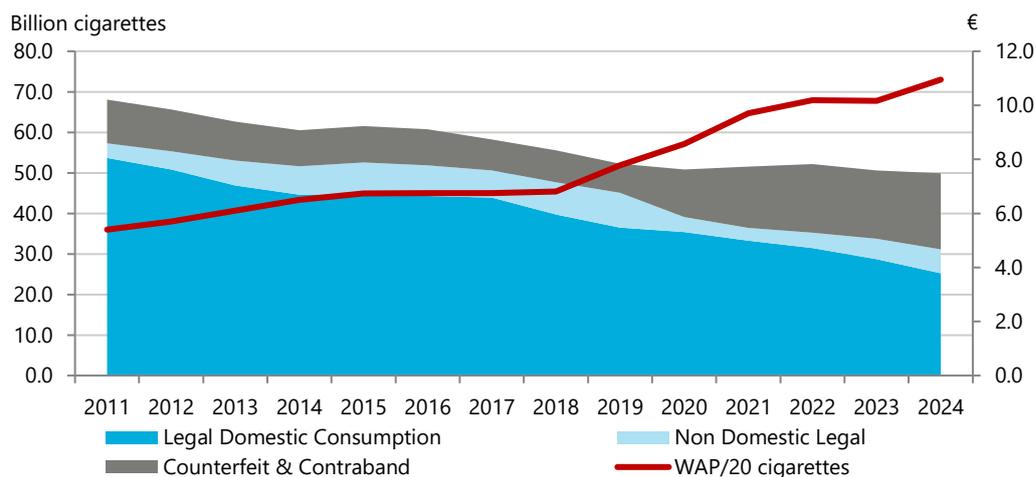
While legal domestic sales have declined steadily, the consumption of C&C has risen, particularly in recent years, contributing to the growing share on non-domestic and illicit products in total

² This is the average WAP in Spain, Luxembourg, Italy, Germany, and Belgium.

³ KPMG, "Illicit cigarette consumption in Europe", 2024, accessed September 2024

consumption. Between 2022 and 2024, NDL cigarettes consumed in France increased by 55%, from 3.8 billion to 5.9 billion cigarettes. Over the same period, C&C cigarette consumption rose from 16.9 to 18.8 billion cigarettes, an increase of 11%. France now accounts for 48% of the C&C consumption in the EU. High prices at home have encouraged substitution from legal domestic purchases to cheaper DNP alternatives, with illicit cigarettes widely available in France.⁴

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



Source: European Commission, KPMG

Objective: Maintain stable tax revenues

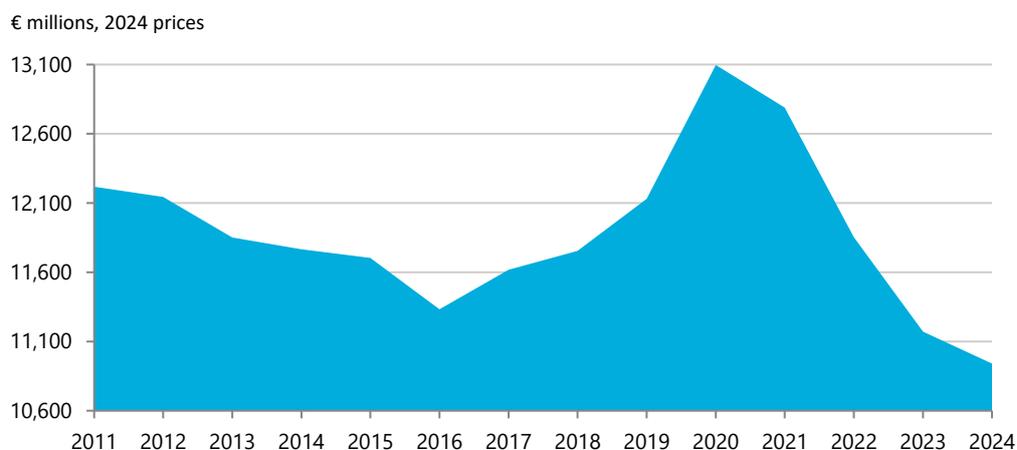
Real tax receipts from cigarettes in France declined modestly between 2011 and 2024, with a compound annual growth rate (CAGR) of -0.8%. Recent French tax policy has been characterised by large tax increases intended to raise prices and reduce legal domestic consumption. However, high cigarette prices have simultaneously encouraged the growth of DNP, which has eroded the taxable base. According to KPMG the French government lost approximately €9.5 billion in tax revenue in 2024 due to C&C activity.^{5,6}

⁴ The Guardian, “[France struggles to stub out ‘explosion’ in contraband cigarettes](#)”, accessed September 2025

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

⁶ 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 France, 2011 to 2024



Source: European Commission

Assessment and implications

France’s tobacco taxation policy—among the most aggressive in the EU—has achieved its goal of substantially raising cigarette prices, but with significant trade-offs. Legal domestic consumption has fallen, but this has been to a considerable extent offset by sharp increases in non-domestic legal purchases and illicit trade. These shifts have undermined the fiscal objectives of the policy.

Following a period of moderate excise increases from 2011 to 2017—which led to declining sales volumes and excise receipts—France implemented one of the most aggressive excise hikes ever recorded, nearly doubling its already high tax level by 2024. While this initially drove substantial tax revenue growth, peaking in 2020, the subsequent collapse has been striking: by 2024, real cigarettes excise tax receipts fell below 2011 levels despite an excise rate per pack that was 225% higher (€8.10 in 2024 versus €3.60 in 2011).



OXFORD
ECONOMICS

Global headquarters

Oxford Economics Ltd
60 St Aldates
Oxford, OX1 1ST
UK
Tel: +44 (0)1865 268900

London

4 Millbank
London, SW1P 3JA
UK
Tel: +44 (0)203 910 8000

Frankfurt

Marienstr. 15
60329 Frankfurt am Main
Germany
Tel: +49 69 96 758 658

New York

5 Hanover Square, 8th Floor
New York, NY 10004
USA
Tel: +1 (646) 786 1879

Singapore

6 Battery Road
#38-05
Singapore 049909
Tel: +65 6850 0110

**Europe, Middle East
and Africa**

Oxford
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Asia Pacific

Singapore
Hong Kong
Tokyo
Sydney

Email:

mailbox@oxfordeconomics.com

Website:

www.oxfordeconomics.com

Further contact details:

[www.oxfordeconomics.com/
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