

Potential implications for tobacco industry transformation of the acquisition of Swedish Match by Philip Morris International

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Abstract

Philip Morris International's recent purchase of Swedish Match may prove to be a vital tobacco industry development. We focus on PMI's potential progress in moving from primarily selling cigarettes towards primarily selling non-combustible nicotine delivery products (NCNDPs). We also consider the potential contribution of the acquisition to industry transformation whereby other cigarette firms may potentially move towards primarily selling NCNDPs. We examine the potential impact on non-combustible nicotine delivery product use, including nicotine pouches (a major Swedish Match product), e-cigarettes, heated tobacco products, and, most importantly, on sales of the industry's staple, combustible cigarettes. We focus on the US as a special case, where PMI is limited from entering the cigarette market.

Implications: Philip Morris International's purchase of Swedish Match and policies regarding nicotine pouches (NPs) have been overlooked in the tobacco control literature. The acquisition indicates the importance of the NP market to the largest nonstate-owned tobacco company. The acquisition has the potential through pricing and marketing tactics to either encourage or discourage the use of NPs, e-cigarettes, heated tobacco products, and most importantly cigarettes. Due to its inability to sell cigarettes in the US, PMI will have incentives to use its alternative nicotine delivery products, including its newly-acquired NPs, to reduce the sale of cigarettes by other companies. However, the potential effects in other countries, where PMI does sell cigarettes, are less clear. Monitoring and analyzing tobacco company acquisitions is essential to studying future transitions in using different kinds of tobacco products, especially from cigarettes to lower-risk alternative nicotine delivery products.

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