The Ukraine HTP market (dominated by PMI and BAT) increased from 2019 to 2022.

Despite the lack of competition, the number of brand variants offered by both companies also increased.

Ukraine: Market Analysis of Available HTP Brand Variants

Background
The global heated tobacco product (HTP) market is dominated by transnational tobacco companies; 94% of the market is held by PMI (70%), BAT (16%), and JTI (8%). Ukraine is among the few countries, outside of Japan and South Korea, where there is a significant consumer market for HTPs. This study explores the range of HTP product offerings in Ukraine, which could provide some insight into why HTPs are popular there.

Methods
• Used NielsenIQ retail data from Feb. 2019–Feb. 2022, collected through a retail audit
• Examined the annual sales value in US dollars (USD) for the years ending in Feb. 2020, 2021, and 2022
• Using manufacturer and brand information, analyzed changes in market share and the number of different unique brand variants available overall and by manufacturer during this period

Results
• 278% increase in Ukraine’s total HTP market from 2019 to 2022
• For the year ending Feb. 2020, PMI had two brands (HEETS, 11 variants; Parliament, 2 variants) and comprised 93% of the market, compared to BAT with two brands (Kent, 5 variants; Neo, 8 variants) that made up the remaining 7% of the market
• By the end of Feb. 2021, PMI’s market share decreased to 88%, but they increased their HEETS variants to 17 and introduced a third brand (FIIT, 3 variants), while BAT’s market share nearly doubled (12%) and expanded to 15 variants of Neo
• By the end of Feb. 2022, PMI’s market share further decreased to 79%, while its variants increased (FIIT, 5; HEETS, 20) and BAT’s market share increased further to 21% with 19 Neo variants
• Hongta Tobacco entered the market during Feb. 2020–Feb. 2021 with one brand (MC) and 4 variants; by Feb. 2022 it had introduced a 5th MC variant but still controlled only <0.01% of the market

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