

The Big Read Tobacco

The new nicotine hit that could save Big Tobacco

Industry leaders hope the rising popularity of nicotine pouches like Zyn will boost revenues. But will the high be fleeting?

Clara Murray and Mari Novik in London

Published 7 HOURS AGO

Blink and you might have missed Robert F Kennedy Jr appearing to sneak something into his mouth at his Senate confirmation hearing in January.

It was quickly identified by internet sleuths as a nicotine pouch — a flavoured sachet that users tuck into their gum, where it releases the drug. Specifically, a nicotine pouch made by Alp, a brand launched by the rightwing journalist Tucker Carlson late last year.

The pundit is a leading proponent of the category, which he says helped him give up cigarettes. “Smoking is bad for you . . . but I like nicotine,” he tells the FT. “I tried a nicotine pouch in 2020 — a Swedish brand — and I just thought it was amazing.”

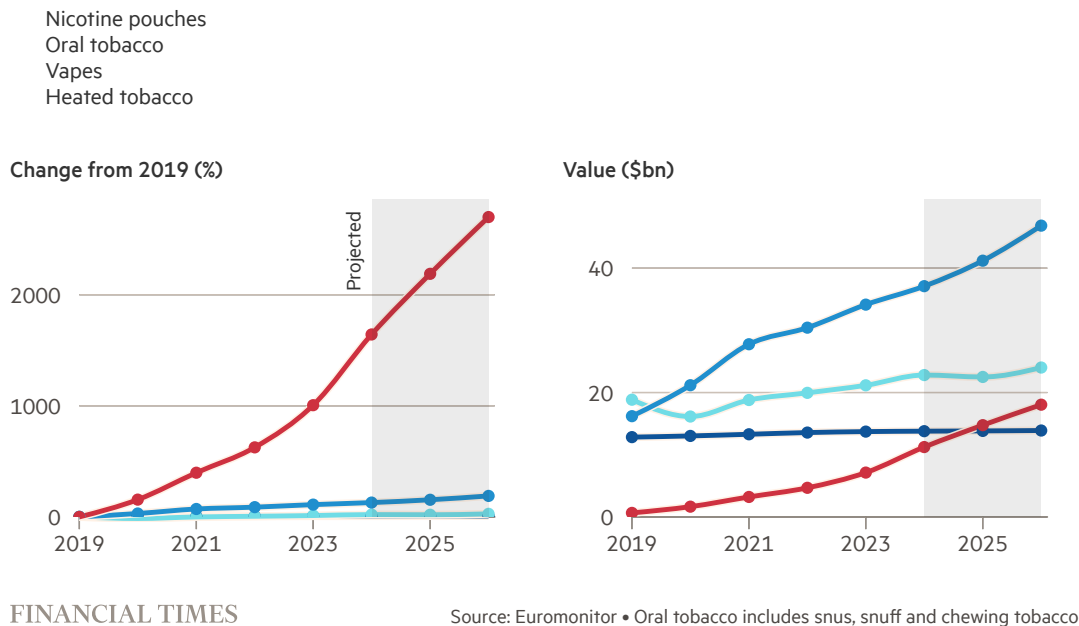
Having entered the market Carlson was “thrilled” to have Kennedy use his product, he adds. “He’s the best possible brand ambassador. I can’t think of a better one, honestly, considering he is the top public health authority in the United States.”

The appearance of a pouch on the Senate floor underscores how a niche habit has entered the mainstream. In just a few years, the nicotine pouch has taken off everywhere from Premier League locker rooms to Wall Street trading floors, helping boost [tobacco](#) groups’ share prices to historic highs. The global market is expected to hit \$18bn by 2026, according to Euromonitor, an increase of 2,700 per cent from 2019.

“Two years ago I would’ve said I don’t think this [nicotine pouch] thing really would take off,” says Simon Hales, a tobacco analyst at Citi. “This pace has been a surprise for almost everybody.”

Nicotine pouches are the fastest-growing new nicotine category

Annual estimates and forecast, global



It comes at an opportune time for big tobacco companies, which are urgently seeking new revenue streams as global demand for cigarettes plummets and vaping demand plateaus.

Tobacco use worldwide was more than 50 per cent higher in 2000, according to the World Health Organization, posing an existential threat to cigarette makers. Tobacco shares have significantly underperformed the market over the past decade.

Yet some question whether the pouch’s sudden, steep rise in popularity will translate into a long-term habit for Big Tobacco, or produce merely a fleeting high.

Concerns are growing among international regulators that its fun flavours and powerful buzz will kick-start nicotine addiction among younger generations, which may lead to a crackdown. The pouch's impacts on health are uncertain.

“There's a concern that it's going to attract lots of young people who would otherwise not use nicotine, especially because they're very concealable,” says Harry Tattan-Birch, an expert on nicotine products at University College London. “The marketing strategies [are] becoming more and more intense and widespread.”

The nicotine pouch was invented by a team of Swedish scientists led by Thomas Ericsson, who were inspired by snus, a similar product that has been popular in Scandinavia for centuries.

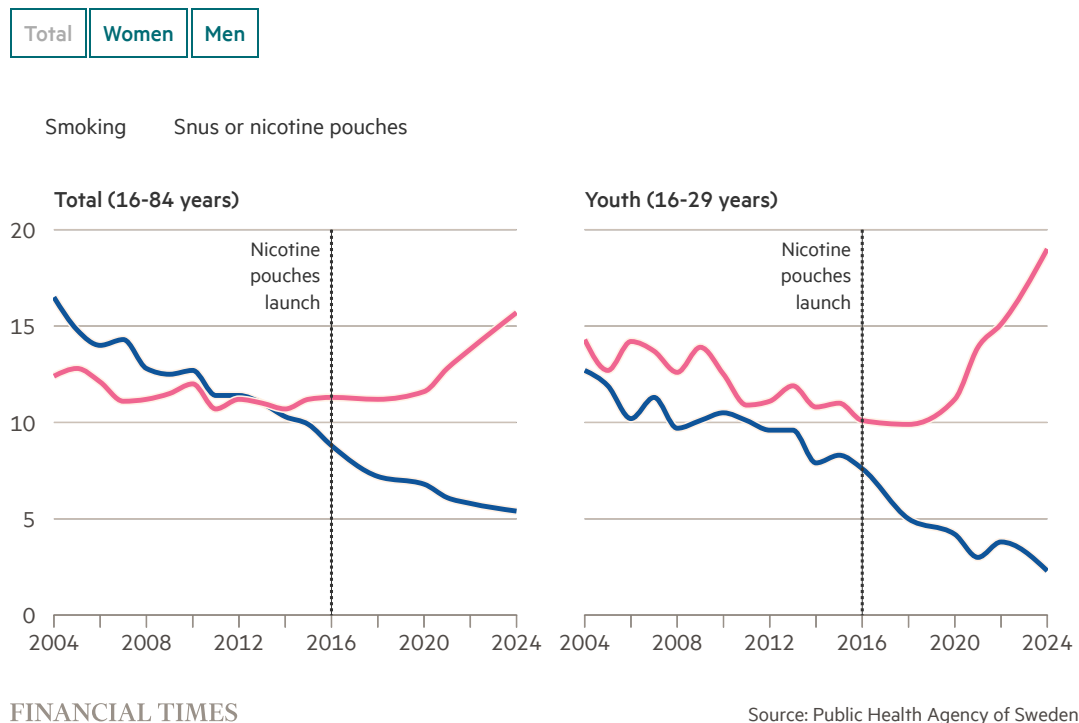
Snus contains powdered tobacco leaf — a known carcinogen — and is usually unflavoured. Although banned in the rest of the EU, it is often credited with Sweden achieving the bloc's lowest rates of smoking and lung cancer (the Swedish Cancer Society disputes the link).

The group's innovation was to swap the tobacco for synthetic nicotine, allowing it to be marketed as a less harmful cigarette alternative. This was always their intention, says retired pharmacist Ericsson. The plan was “not about money but about public health. In order to reduce smoking, the cigarette companies must have a profitable alternative to tobacco.”

The pouch format has several advantages over other replacement therapies like nicotine gum, being cleaner, more discreet and cheaper to produce, says Karl Fagerström, a leading expert on nicotine addiction who launched his own brand, Zonnic, in 2008. “Today's smoker knows that smoking is bad . . . Sweden is an example where we have reduced the harm.”

Pouches are three times as popular in Sweden as smoking and eight times more so among young adults

Share of population using daily (%)



Ericsson sold his patent to Swedish Match for a multimillion-dollar sum, and the tobacco company launched nicotine pouches in the US in 2014 under the brand name Zyn. The brand grew steadily until Philip Morris International purchased the company for [\\$16bn in 2022](#).

Today, chief executive Jacek Olczak says that acquisition was one of the “very” important decisions he has made while at the helm of one of the world’s largest tobacco companies, which has set an aim of earning two-thirds of revenues from “smoke-free” products such as pouches by 2030.

“My investors are happier. My consumers are happier,” he tells the FT. “We wanted to un-smoke 1bn people [and] Swedish Match had the pouches . . . Strategically it was perfect.”

This year, the Marlboro maker expects to sell up to 840mn cans of Zyn in the US, up 45 per cent from last year. Sales outside the US also surged 75 per cent in 2024, the company reported. It has struggled to meet demand in the last three quarters and announced a \$600mn factory in Colorado dedicated to the brand last year, while it is expanding another.

PMI has estimated that revenue from Zyn in the US per 1,000 units is nearly six times that of its cigarettes, with analysts at Citi estimating the gross margin of nicotine pouches is roughly 15 percentage points higher than that of cigarettes. The tobacco company’s share price has skyrocketed 80 per cent in the past year to a record high, outperforming its peers.

But although the Lausanne-headquartered company claims two-thirds of the US market, Zyn is not the only player in the game.

Young people do seem to be using them. They're available in all sorts of convenience stores, there's bright packaging and flavours

Caitlin Notley, University of East Anglia

British American Tobacco (BAT), which owns the Velo brand, reported in February that its revenue from “modern oral”, including nicotine pouches, surged more than 200 per cent in the US in 2024 and global revenue from the category hit £790mn.

About 11 per cent of US group Altria's 2024 revenue was from oral products such as its On! nicotine pouches, while Japan Tobacco International markets

its Nordic Spirit brand in the UK, Ireland, Sweden and the Philippines.

Stefan Bomhard, chief executive of Imperial Brands, tells the FT its nicotine pouch range, which it spent at least [£65mn to acquire in 2023](#), has seen “very significant growth”, adding that “the excitement” around nicotine pouches has given it confidence to “be ambitious” about its non-cigarette offering.

The typical pouch user is an ex-cigarette smoker in their thirties or older, according to retailer Haypp, but it has also become explosively popular with a younger male demographic.

One in five Premier League footballers said they used nicotine pouches, according to a 2024 Loughborough University study. Employees of some of Wall Street's largest banks, including Goldman Sachs, Citi and Morgan Stanley, say they have seen an increase in colleagues using nicotine pouches at work. “It has become mainstream now,” says a banker from Scandinavia who works in London.

“Young people do seem to be using them,” says Caitlin Notley, professor of addiction studies at the University of East Anglia. “They're available in all sorts of convenience stores, there's bright packaging and flavours. In a way, they're similar to vapes, particularly disposable vapes.”

In the US, its popularity has birthed an online subculture, where fans joke on TikTok or Reddit about popping in an “upper deckie” or “lip pillow.” The movement has been dubbed the “Zyinternet” by journalist Max Read who describes it as “fratty, horndog [and] boorishly provocative”.

As such, the product aligns with the rightwing Maga movement, becoming something of an anti-establishment symbol. After Democratic senator Chuck Schumer urged the US Food and Drug Administration to investigate the product's appeal to teenagers, far-right congresswoman Marjorie Taylor Greene called for a “Zynsurrection!” in a post on X.

What are nicotine pouches?

Nicotine pouch

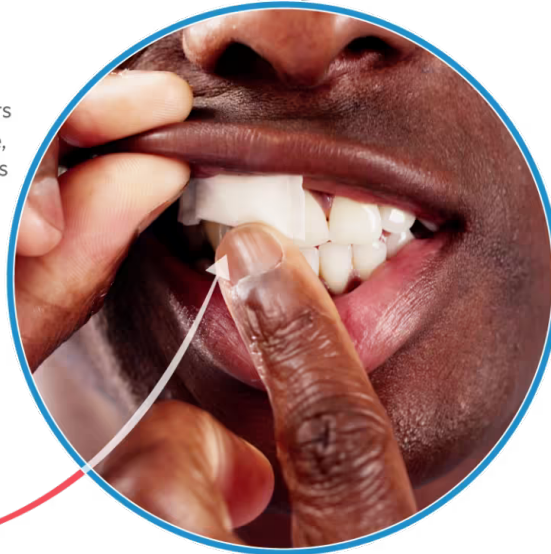


- Nicotine made in a lab or extracted from plants
- Fillers such as cellulose, pH adjusters, stabilisers
- Usually flavoured

Snus



- Tobacco powder in a cellulose pouch
- Usually unflavoured
- Banned in the UK and EU except Sweden



Users insert a pouch under their upper or lower lip against the gumline

Image: Dreamstime
© FT

Carlson, himself a Muga icon, rails against government pushback on nicotine as “disproportionate”, especially compared with western authorities’ war on drugs.

“Everyone loves cannabis and everyone’s on opioids . . . governments support that,” he says. “But they hate nicotine and I think the obvious answer for why that is, is there’s evidence that it clears your thinking, raises testosterone. Drugs, of course, make you more compliant.”

He was one of the loudest pro-Zyn voices until he fell out with PMI, after the company took issue with his claims on a podcast that it could cure erectile dysfunction.

It is one of a wide variety of benefits that have been ascribed to nicotine pouches. There is a growing popular perception that nicotine is a “nootropic,” or a drug that improves brain function. Influential neuroscientist and podcaster Andrew Huberman is among those who have cited it as a “cognitive enhancer”.

There is some scientific evidence to back the claims: one meta-analysis by National Institutes of Health researchers concluded nicotine had “significant” positive effects on motor abilities, attention, and memory. even in non-smokers.

PMI’s Olczak, once a heavy smoker, supports the idea. “I take [Zyn] when I am working on something, when I am reading something,” he says. “It enhances focus.”

Nicotine may focus the mind, but it is hard to quit. The drug is just as addictive in a pouch as it is in a cigarette, and researchers warn that pouches can contain significantly higher nicotine levels.

Regular strength pouches typically contain around 6mg, roughly three times as much as is inhaled from one cigarette. However, superstrong varieties packed with upwards of 50mg nicotine are widely available.

A Reddit forum dedicated to quitting Zyn has 12,000 members. US class actions have been lodged against PMI, alleging Zyn got them hooked on nicotine. The city of Baltimore, which previously settled a case against vape brand Juul, recently sued Zyn for “recklessness in pushing these highly addictive” products.

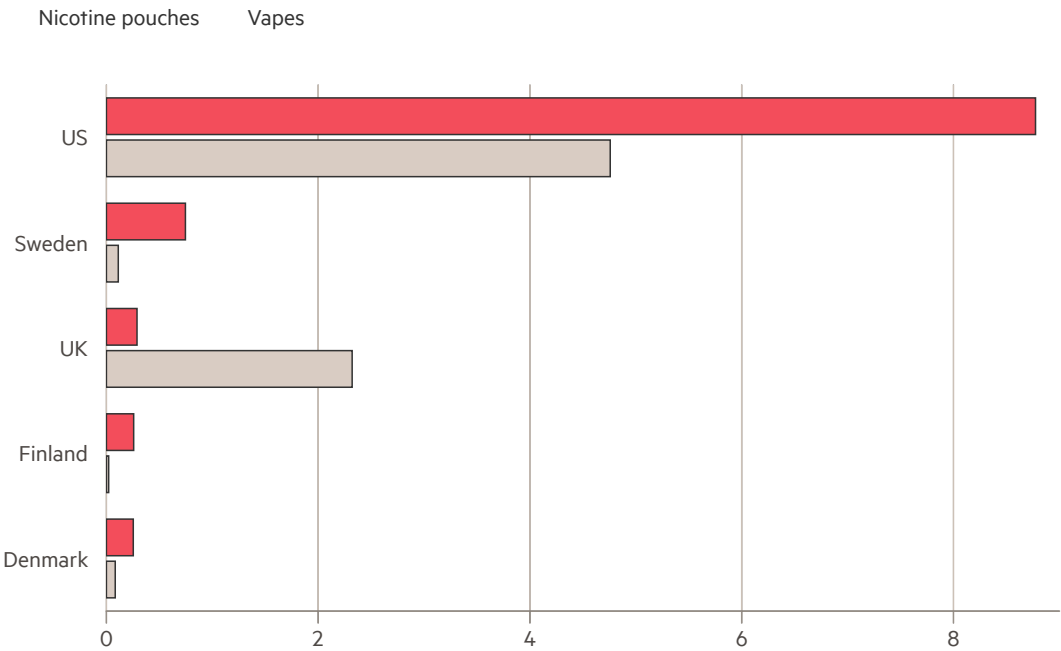
The health implications of pouches are little understood. But there is evidence that nicotine can aggravate cardiovascular conditions, making strokes or heart attacks worse. Pouch users also complain of oral lesions and irritated or receding gums.

That is a problem when in some ways the barrier to entry is lower than cigarettes.

“It’s much cheaper than smoking and vaping,” says Niall Byrne, a university student from Dublin. “The effects are stronger too . . . It doesn’t have that gross feeling [of smoking] because the flavours are quite nice and there’s no aftertaste.”

Sales of nicotine pouches have overtaken vapes in the US

Top five nicotine pouch markets by value, 2024 (\$bn)



FINANCIAL TIMES

Source: Euromonitor • Excludes tobacco-containing snus

He first tried a pouch on a night out with friends. Initially the rush of nicotine was overwhelming, but he quickly grew to enjoy the habit and now goes through a €7 (£5.90) can per week.

“If I went a day or two without using it, I would have an itch in my mouth. It would definitely be hard to quit.”

Nicotine pouches are subject to strict regulation in many markets. They have been banned completely in Belgium, France and the Netherlands over fears they would be a stepping stone to smoking, especially for young people.

They are prescription-only in Australia and New Zealand, while several countries have restricted their flavours and marketing. Spain is considering limiting nicotine content to 0.99mg, far below the standard 4mg to 20mg.

In the US, the FDA must approve the marketing of each nicotine-containing product, but until a decision is made they can keep advertising. Zyn was the first nicotine pouch brand to be given permission in January this year after a five-year wait.

Tobacco and nicotine companies [are] good at knowing where the line is, and they'll go right up to the line while they're allowed to

Shane MacGuill, Euromonitor

The category is still entirely unregulated in the UK, however. There are no limits on advertising, and it is perfectly legal for an eight-year-old to buy a candy-flavoured pouch with 50 times as much nicotine as a cigarette in their local corner shop.

The honeymoon may end soon, though, with both the EU and UK planning new laws to clamp down on the market.

The EU is planning a major revision to its landmark tobacco regulation which is expected to cover nicotine pouches. The UK's Tobacco and Vapes Bill, which is being considered by the House of Lords, will introduce age restrictions for all nicotine products and gives the government the power to clamp down on marketing and display.

Many in the industry say they support age restrictions and nicotine limits to snuff out rogue operators that market superstrong pouches.

"Regulation is needed to protect the category," says Markus Lindblad, head of external affairs at Haypp. "We are in the game for the long term. That is the producers' view as well."

But brands such as Velo, Nordic Spirit and Zyn are being promoted heavily in ways researchers fear targets young people — from free samples at music festivals to Formula 1 sponsorships and social media campaigns.

In part this is because they are trying to establish an unfamiliar category, says Shane MacGuill, global tobacco and cannabis lead at Euromonitor.

"But it's also just because they *can*," he adds. "Tobacco and nicotine companies [are] very good at abiding by the law, but they're also very good at knowing where the line is, and they'll go right up to the line while they're allowed to."

The marketing blitz will provide great value for money if the companies can reach the vast untapped market of potential pouch users.

Just 1 per cent of UK adults use nicotine pouches, according to an Action on Smoking and Health survey. A University of Southern California study put adult use at 0.4 per cent in the US, while the FDA found less than 2 per cent of high school students used them.

But if they don't move quickly, the tobacco majors could lose their first-mover advantage, analysts warn. Low production costs and taxes are inspiring a flood of creatively marketed independent pouch brands — from Alp's "anti-woke" stance to Excel, targeted at corporate workers.

Yet even with inventive marketing, it might be hard to elevate pouches beyond a niche product.

Consumer tastes can be fleeting. Vaping, once the "next big thing" for tobacco, shows signs of flatlining. E-cigarette use among American youths fell to its lowest level in a decade in 2024, according to the FDA, while Nielsen data shows US monthly sales have fallen by \$2mn on average since late 2022.



Rightwing journalist Tucker Carlson, who launched his own nicotine pouch Alp last year, says government pushback on nicotine is disproportionate' © Chip Somodevilla/Getty Images

Pouches may not even have the same appeal. They are more discreet, which MacGuill says makes them less socially contagious than vapes. "I don't think it's as appealing a format or category to the consumer, ultimately," he says.

The negative effects can also be more quickly apparent than for vaping, making it hard to engage new users. "The first few times you use [pouches] they can make you feel sick — a few people I know puked," says Byrne. "A lot of my friends hate them."

Notley, the addiction expert, says much of the stress relief people associate with cigarettes actually comes from taking 10 minutes out of the day, standing outside and taking deep breaths. “[Pouches] don’t have that kind of social appeal . . . My prediction would be that it’s going to be a fairly short-term fad.”

But tobacco executives, who have long searched for a product that might replace their historic stock-in-trade, remain bullish on their potential.

“Perceptions are changing,” says PMI’s Olczak. “Ten years ago, people were extremely sceptical when we announced our [smoke-free] strategy. Now . . . people are saying, ‘Wow, it is real.’”

Additional reporting by Patricia Nilsson. Illustration by Bob Haslett