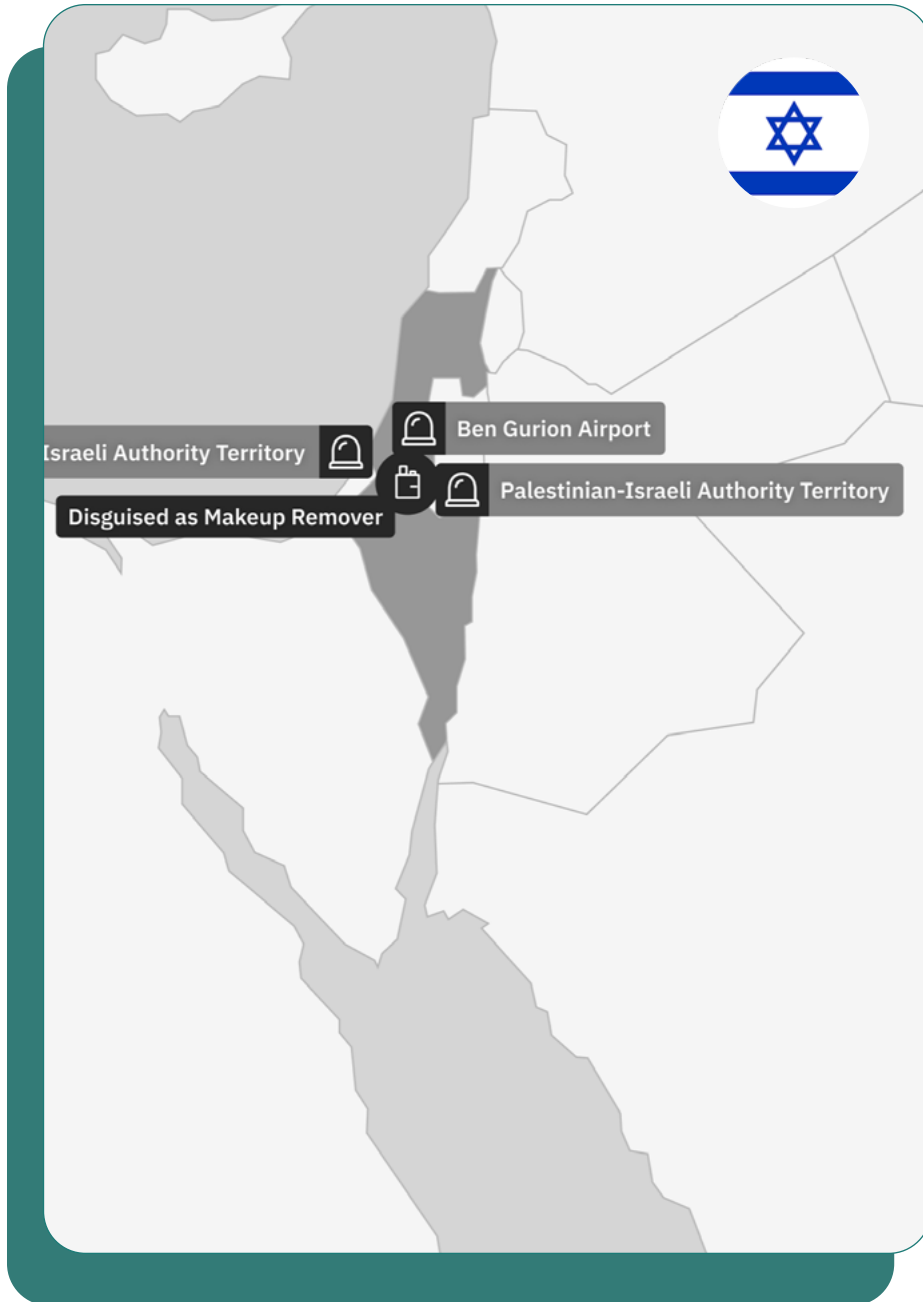


ApiraSol

E-CIGARETTES IN ISRAEL 2024/2025 – Q2

SUPPLY CHAIN INTELLIGENCE
APRIL 2026



Overview

1. INTRODUCTION & METHODOLOGY

2. E-CIGARETTE TRADE - ISRAEL

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**INTRODUCTION &
METHODOLOGY**

Introduction

ApiraSol has been investigating the routes, brands, and entities involved in the trade of illicit e-cigarettes across various countries worldwide for several years.

In this particular research conducted in 2025, ApiraSol focused on the global illicit e-cigarette trade, drawing from trade data as well as open sources such as enforcement news, press releases from customs agencies, academic research papers, and online intelligence reports. The period covered for trade data spans January 2024 to December 2024, while enforcement-related news generally covers the years 2024 to 2025.

The Illicit E-Cigarette Trade: A Growing Global Challenge

The illicit e-cigarette trade is becoming a significant force reshaping the global nicotine market, fueled by rapid growth and mounting regulatory complexity. According to Euromonitor International, the illicit e-cigarette market was valued at **USD 47 billion in 2024**, representing over **70% of global spending** and roughly **three-quarters of total volume—equivalent to 605 billion cigarettes**. Furthermore, Euromonitor reported that illicit e-cigarette products exceed **80% penetration in North America, Latin America, the Middle East and Africa, and Asia Pacific**,

while Western Europe, though lower, continues to face persistent illicit trade despite increasing legislative pressures.

Regulatory Frameworks Driving Illicit Trade

Stringent bans and fragmented regulations often unintentionally fuel underground trade. Bans do not necessarily eliminate demand for e-cigarettes; where consumer interest persists despite such measures, gaps in legal supply may arise, creating opportunities for illicit suppliers to fill unmet demand. Even in countries with robust regulatory frameworks, unintended consequences may arise—strict compliance requirements and high taxation can make legal products more expensive and less accessible, while the convenience of illicit channels, including online and delivery-based sources, may further draw consumers toward cheaper, non-compliant alternatives. These conditions typically incentivize smuggling and the use of transshipment hubs in regions with weaker oversight, allowing illicit goods to infiltrate regulated markets.

Complex regulations also often create loopholes that illicit networks exploit, such as mislabeling products or routing shipments through multiple jurisdictions to obscure origins. While strong regulations aim to protect public health, without equally strong

enforcement, these often end up driving demand for illicit products rather than curbing it.

China's Regulatory Gaps and Insufficient Enforcements

China produces the vast majority of e-cigarettes globally, making its regulatory framework critical to controlling illicit trade. The **Administrative Measures for Electronic Cigarettes** (effective May 1, 2022) require that all e-cigarette products comply with mandatory national standards and that producers, exporters, and retailers obtain licenses from the State Tobacco Monopoly Administration (STMA). Similarly, the **Administrative Rules for E-Cigarettes Import-Export Trade** (issued October 2022) stipulate that only licensed exporters can ship products abroad, and exported goods must either meet the destination country's regulations or adhere to China's national standards.

In practice, however, exports are not sufficiently controlled. Loopholes in licensing, weak oversight of small-scale producers, and limited monitoring of export compliance allow unlicensed operators to bypass official channels.

Compounding these issues is weak enforcement in many destination countries. These challenges are amplified by the growing use of digital platforms such as social media, messaging apps, and

informal online channels, which make detection and enforcement even harder.

Without stronger controls and enforcement mechanisms in China, and investment in monitoring capabilities in destination countries, illicit trade will continue to thrive despite regulatory efforts.

On December 18, 2025, China's General Office of the State Council issued a policy document titled "Opinions on Combating Tobacco-Related Illegal Activities Across the Entire Chain", which sets out a comprehensive enforcement strategy against illicit tobacco and nicotine products. The Opinions explicitly bring electronic cigarettes and other nicotine-containing products under strengthened regulatory scrutiny, calling for full-chain enforcement against the illegal production, wholesale, transportation, sale, and "export re-flow" of e-cigarettes and related products. This includes tightening oversight of e-cigarette manufacturing and supply chains, cracking down on unauthorized operations, and treating unlawful export and smuggling back into China as enforcement priorities alongside traditional tobacco smuggling.

The text of the Opinions does not designate exports to overseas destination markets as independent enforcement targets; rather, references to other countries and cross-border cooperation are tied specifically to preventing illegal e-cigarette exports from re-entering China's domestic market. This confirms that the

primary focus is safeguarding China’s domestic regulatory objectives, public health, and market order, with international cooperation positioned mainly as a means to curb the re-flow of illicit products back into China. The effectiveness of China in stepping up its enforcement efforts to control the illicit trade of tobacco and nicotine products remains to be seen.

Amid the alarming surge of illicit market activity and mounting regulatory complexity, ApiraSol’s 2025 investigation into the global e-cigarette trade will map illicit trade flows, analyze seizure patterns across countries and regions, and uncover the mechanisms enabling this shadow economy.

Methodology

This report has been prepared using various data sources, including (but not limited to):

- Publicly available customs trade data for the period January 2024 - December 2024. For those countries covered in this report that don’t make their customs data publicly available, data has been obtained from the mirrored data of other countries.
- Statistical data for the period January 2024 - June 2025.
- News articles relating to enforcement and seizures.

Terminology and Definitions

Statistical Data - Numerical information representing measurable aspects of economic, demographic, social, or environmental phenomena, as produced by national statistical offices, government agencies, or intergovernmental organizations.

Trade Data - Information on the movement of goods and services between countries, typically reported by customs authorities and presented in terms of import and export volumes, values, origin, and destination.

Enforcement News - Reports and updates issued by law enforcement, customs, or regulatory agencies on activities such as investigations, product seizures, arrests, policy actions, and other official measures.

In the trade data, Origin and Destination Countries refer to the following:

Origin Countries - Shipment Origin Countries declared in publicly available trade data between January 2024 - June 2025.

Destination Countries - Shipment Destination Countries declared in publicly available trade data between January 2024 - June 2025.

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E-CIGARETTE TRADE -
ISRAEL

Summary

China's declared e-cigarette exports to Israel in 2024 totaled \$22.95 million, while Israel's reported imports from China were only \$12.31 million—leaving a substantial statistical gap of approximately \$10.64 million. This discrepancy reflects significant challenges in accurately gauging cross-border flows and is driven by several key factors:

- **Regulatory Environment:** Israel maintains strict regulations around nicotine limits, product registration, and import compliance, but inconsistencies in enforcement and changing rules contribute to reporting gaps. High cigarette taxes (145%) further incentivize demand for cheaper, untaxed vaping products.
- **Re-routing:** Some shipments are diverted via third countries or logistics hubs, obscuring true origin and destination, and making official data reconciliation difficult.
- **Misdeclaration and evasion:** Exporters and importers may underreport values, misdeclare products, or disguise vaping goods among legitimate shipments to avoid regulatory scrutiny and taxes.
- **Incomplete or Delayed Reporting:** Some shipments lack complete data—such as shipment weight or transport mode—hampering transparency and granular reconciliation.
- **Customs Data Limitations:** Differences in classification standards, documentation practices, and valuation methods between Israel and its trading partners exacerbate discrepancies,

making reconciliation of bilateral trade figures challenging.

- **Prevalence of Smuggling and Illicit Trade:** Active smuggling networks conceal products in mixed cargo, luggage, and parcels, while operations frequently hide e-cigarettes or liquids among other goods, or mix with illicit substances (e.g., cannabis oil). In 2024, seizures and high-profile raids at airports, shops, and warehouses resulted in thousands of e-cigarettes and large volumes of refill liquids being confiscated; many products exceeded legal nicotine limits. The first cases of illegal, locally produced smoking products were also reported, showing the domestic market's evolving illicit landscape.

In conclusion, the pronounced gap in e-cigarette trade statistics between China and Israel highlights a critical deficiency in bilateral transparency and data harmonization. Combined with active smuggling networks and the ongoing development of illegal domestic production, this situation underscores the urgent need for improved data sharing and harmonized customs reporting standards to enable robust regulatory oversight and safeguard public health.

Regulatory Overview

E-cigarettes in Israel are regulated under the Tobacco Law, which governs their sale, packaging, advertising, taxation, and public use. Vaping is prohibited in all areas where smoking is banned, including schools, hospitals, and public transportation. Packaging must be in neutral colors and, beginning in 2025, must feature graphic health warnings covering up to 90% of the surface, including cessation support information. Descriptive terms that suggest reduced harm, such as “light” or “fresh,” are prohibited. Advertising is strictly limited. All forms of media advertising are banned, with the sole exception of print newspaper ads permitted under a transitional provision. Following a 2022 amendment to the Tobacco Law, such ads are allowed until March 31, 2025, provided they include a health warning twice the size of the advertisement. After this date, ad size will be reduced by 25% annually until a full ban takes effect in 2029. Promotional activities, sponsorships, and indirect marketing are also prohibited. Sales are restricted to individuals aged 18 and above, with proposals under review to raise the minimum age to 21. The Ministry of Health is actively pursuing a ban on flavored e-liquids and disposable e-cigarettes due to their appeal among youth. E-cigarette products are subject to substantial excise taxes: as of July 2024, e-liquids and disposable e-cigarettes are taxed at 270% of the wholesale price, plus 10.49 shekels per milliliter, with a minimum rate of 18.60 shekels per milliliter. These measures aim to reduce consumption and curb illicit trade.

Statistical Data (China as Origin)

China’s declared exports of e-cigarettes to Israel in 2024 totaled \$22,953,000, while Israel’s declared imports from China reached \$12,313,000—creating a **discrepancy of approximately \$10.64 million**. This significant statistical gap may reflect underreporting, differences in customs recording, or untracked product flows transiting through third countries, emphasizing the need for improved transparency and data harmonization in bilateral trade reporting.

Total Value 2024:

- Total Exports from China 2024: \$22,953,000
- Total Imports from China 2024: \$12,313,000
- **Statistical Gap: \$10,640,000**

EXPORTS OF E-CIGARETTES FROM CHINA TO ISRAEL - STATISTICAL DATA (ITC DATABASE)

HS Code	HS Code Description	ORIGIN COUNTRY	DESTINATION COUNTRY	Value in 2024 (Unit : US Dollar thousand)	Value in 2025-Q1 -Q2 (Unit : US Dollar thousand)
24041200	Other products containing nicotine, intended for inhalation without combustion	CHINA	ISRAEL	4,480	603
24041990	Other products containing nicotine substitutes, intended for inhalation without combustion	CHINA	ISRAEL	932	116
24041910	Other products containing tobacco substitutes, intended for inhalation without combustion	CHINA	ISRAEL	6	0
85434000	Electronic cigarettes and similar personal electric vaporizing devices	CHINA	ISRAEL	17,535	12,176
Total:				22,953	12,895

IMPORTS OF E-CIGARETTES TO ISRAEL FROM CHINA - STATISTICAL DATA (ITC DATABASE)

HS Code	HS Code Description	ORIGIN COUNTRY	DESTINATION COUNTRY	Value in 2024 (Unit : US Dollar thousand)	Value in 2025-Q1 -Q2 (Unit : US Dollar thousand)
24041220	Products containing nicotine, intended for inhalation without combustion (excl. containing . . .	CHINA	ISRAEL	146	N/A
24041290	Products containing nicotine, intended for inhalation without combustion (excl. containing . . .	CHINA	ISRAEL	10	N/A
24041210	Products containing nicotine, intended for inhalation without combustion (excl. containing . . .	CHINA	ISRAEL	0	N/A
24041910	Products containing tobacco or nicotine substitutes, intended for inhalation without combustion . . .	CHINA	ISRAEL	8	N/A
24041920	Products containing tobacco or nicotine substitutes, intended for inhalation without combustion . . .	CHINA	ISRAEL	0	N/A
24041990	Products containing tobacco or nicotine substitutes, intended for inhalation without combustion . . .	CHINA	ISRAEL	0	N/A
85434090	Electronic cigarettes and similar personal electric vaporizing devices	CHINA	ISRAEL	10,841	N/A
85434039	Electronic cigarettes and similar personal electric vaporizing devices	CHINA	ISRAEL	1,308	N/A
Total:				12,313	-



ISRAEL STATISTICAL DATA



Exports from China to Israel

22,953,000

Total 2024 Value (USD)
1H 2025 Value (USD): 12,895,0000

Imports to Israel from China

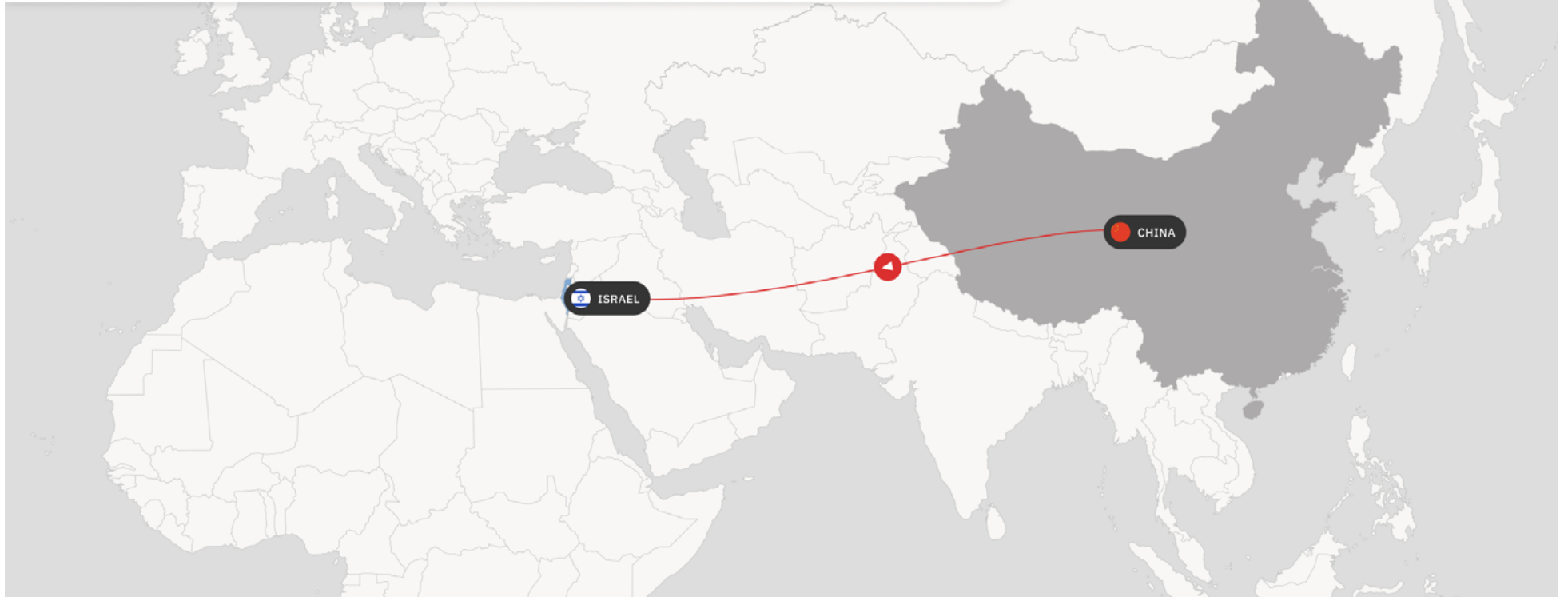
12,313,000

Total 2024 Value (USD)
1H 2025 Value (USD): N/A

Statistical Data Gap *

10,640,000

* Difference between the Exports and the Declared Imports (USD)



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The online articles report on **seizures of illegal e-cigarette products in Israel**.

Recent Israeli enforcement news demonstrates an escalated response to the smuggling and illegal distribution of e-cigarettes and related products. Authorities have detained individuals attempting to smuggle thousands of e-cigarettes and liters of refill liquid, with seizures taking place at locations such as Ben Gurion Airport, local shops, and within Palestinian-Israeli Authority territory. Smugglers have used various concealment methods, including disguising shipments as makeup remover or hiding them among other goods, and some seizures have included e-cigarette liquids containing cannabis oil.

Targeted raids by the Israeli Tax Authority on retail shops and warehouses have resulted in the confiscation of significant quantities of vaping liquids, many of which exceeded the Ministry of Health's legal nicotine limit, as well as the seizure of hookah tobacco and other smoking products of unknown origin. Notably, enforcement efforts have exposed not only smuggled imports but also the first cases of illegal, locally produced smoking products, indicating an evolving domestic market alongside illicit import channels.

The crackdown has been driven by Israel's high cigarette purchase tax (145%), which creates strong incentives for the smuggling of cheaper, untaxed vaping and tobacco products. As a

result of these operations, there have been detentions, arrests, and extensive seizures of both devices and liquids, with law enforcement uncovering organized trafficking networks as well as individual smugglers.

Coordination between the Tax Authority and the Ministry of Health has been central to enforcement, with the dual aim of upholding regulations and protecting public health from the risks associated with high-nicotine and unregulated products. Overall, Israeli authorities are intensifying strategic investigations and public enforcement actions to combat illegal vaping and tobacco trade—both imported and domestically produced—reflecting persistent demand, ongoing supply chain adaptation by traffickers, and ongoing challenges in maintaining statutory health and safety standards.

- **Locations of Seizures:** Modi'in-Maccabim-Re'ut (shop raid), Ashdod (arrest at entry point), other retail stores and warehouses targeted in nationwide operations.
- **Products seized:** 12 liters of illegal vaping liquid (nicotine concentration above legal limits), large volumes of refillable e-liquid, illegal e-cigarettes, and 79 kg of hookah tobacco of unknown origin. Nationwide raids also led to confiscation of thousands of e-cigarettes and substantial quantities of associated liquids.
- **Brands seized:** Brands are largely unreported; confiscated items are described as illegal, unregistered, or counterfeit.

- **Methods:** Smuggling and concealment within retail premises, illegally imported goods mixed with legitimate stock. Some products were found to have exceeded legal nicotine content, while operations uncovered both imported and locally produced illicit items.
- **Enforcement:** Tax Authority, Ministry of Health, and law enforcement conducted coordinated raids, seized stock, detained and questioned shop owners and smugglers. These actions are linked to broader efforts to combat smuggling and address irregularities under Israel's strict tobacco tax and import controls.



ISRAEL ILLCIT TRADE OVERVIEW

Israeli authorities have detained individuals attempting to smuggle thousands of e-cigarettes and liters of refill liquid, with seizures occurring at Ben Gurion Airport, shops, and within the Palestinian-Israeli Authority territory. Some shipments were disguised as makeup remover or hidden among other goods to evade tax and health regulations, while others were found to contain cannabis oil.

Legend



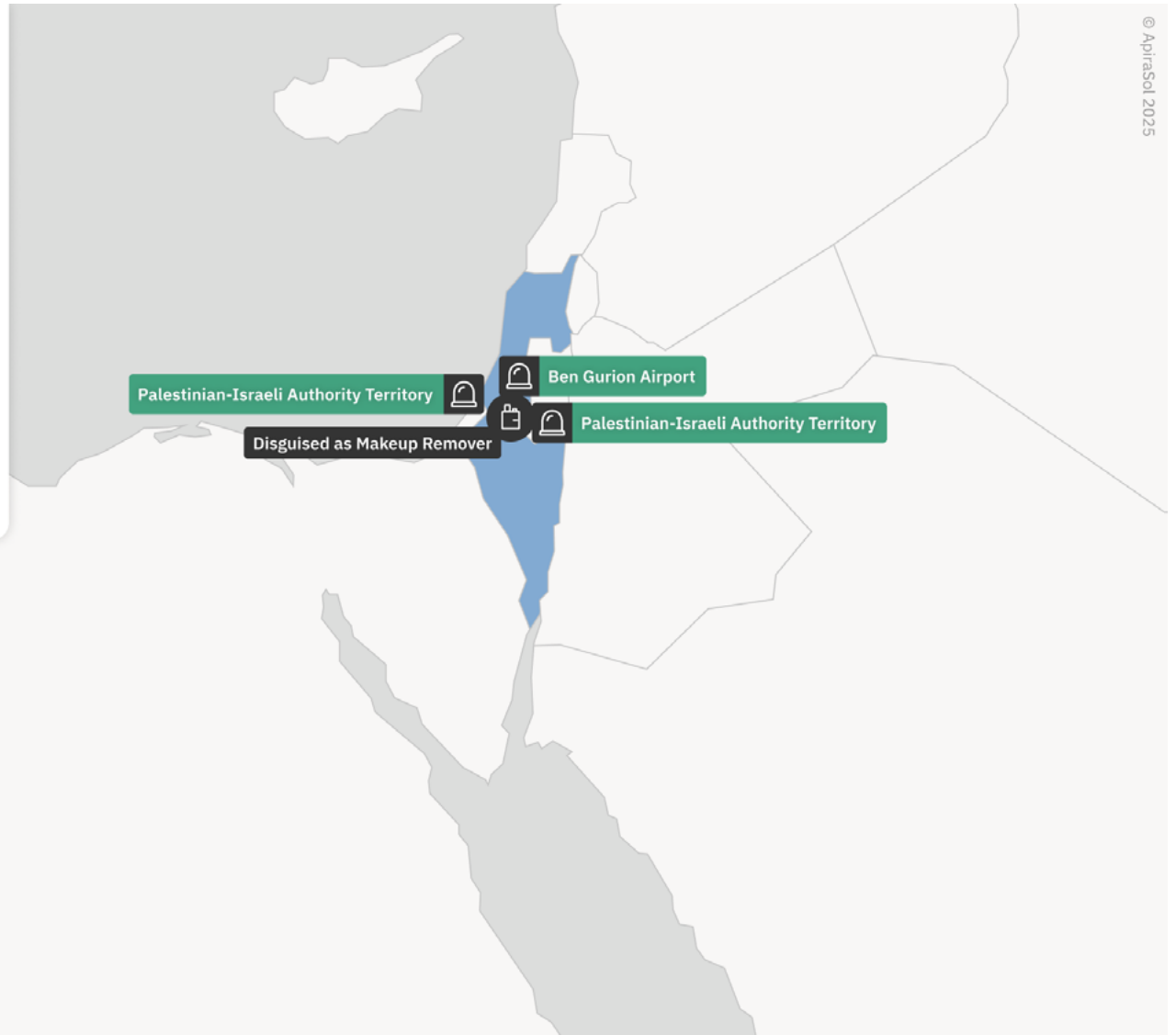
Arrest



E-Cigarettes and Liters of Refill Liquid



ENDS are regulated



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Authorities arrested two suspects for importing commercial quantities of e-cigarette liquid disguised as makeup remover, evading \$360,000 in taxes; the operation involved at least 68 shipments sent to multiple addresses to bypass regulations.

E-Cigarette liquid smuggling operation thwarted

ANI
Updated At: 04:45 AM Jul 14, 2025 IST



Legend



Arrest



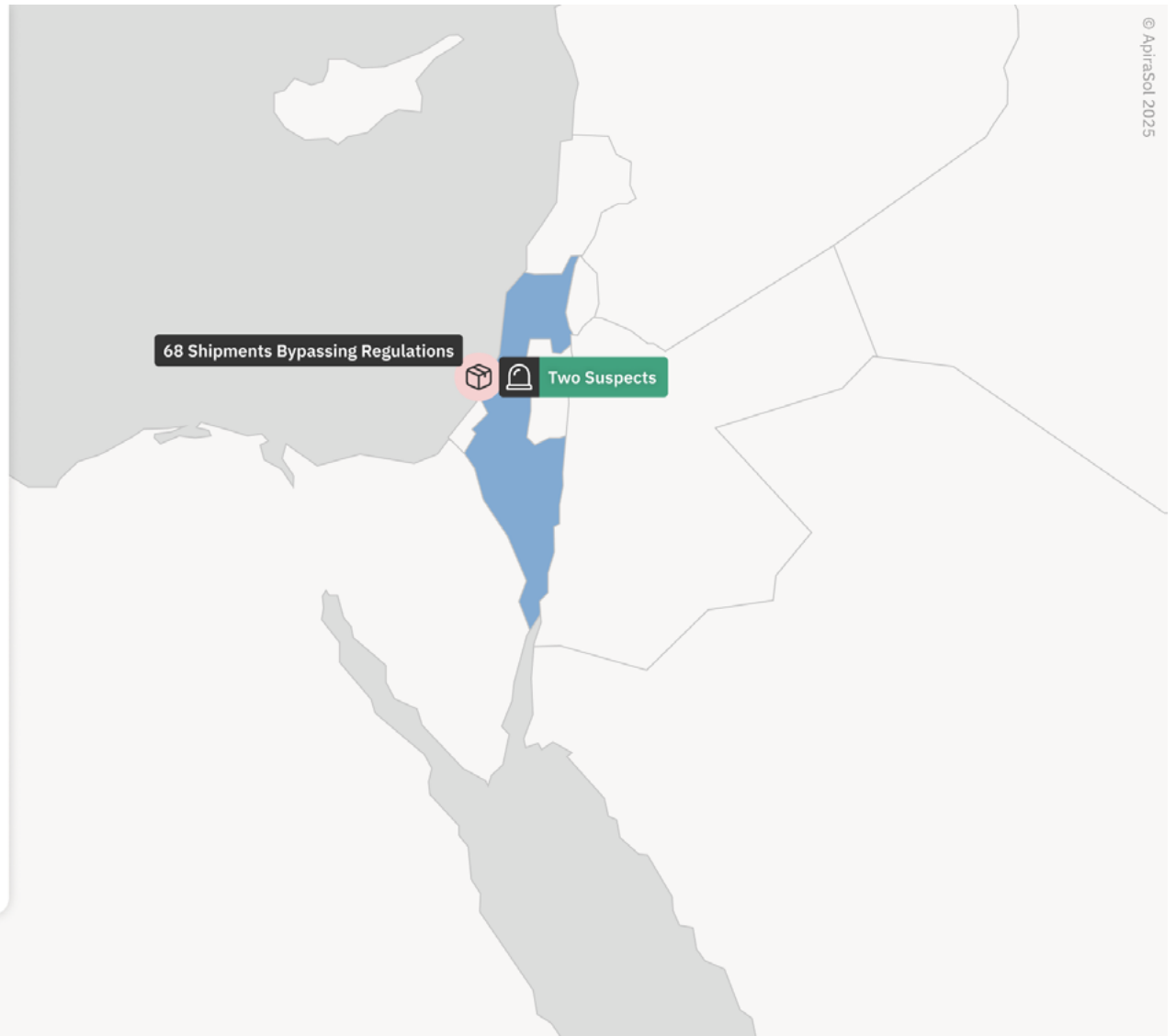
Shipments



ENDS are regulated

Source

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Contact us

ApiraSol GmbH

Pappelallee 78

10437 Berlin, Germany

+49 3023 61 60 22

info@apirasol.com

www.apirasol.com