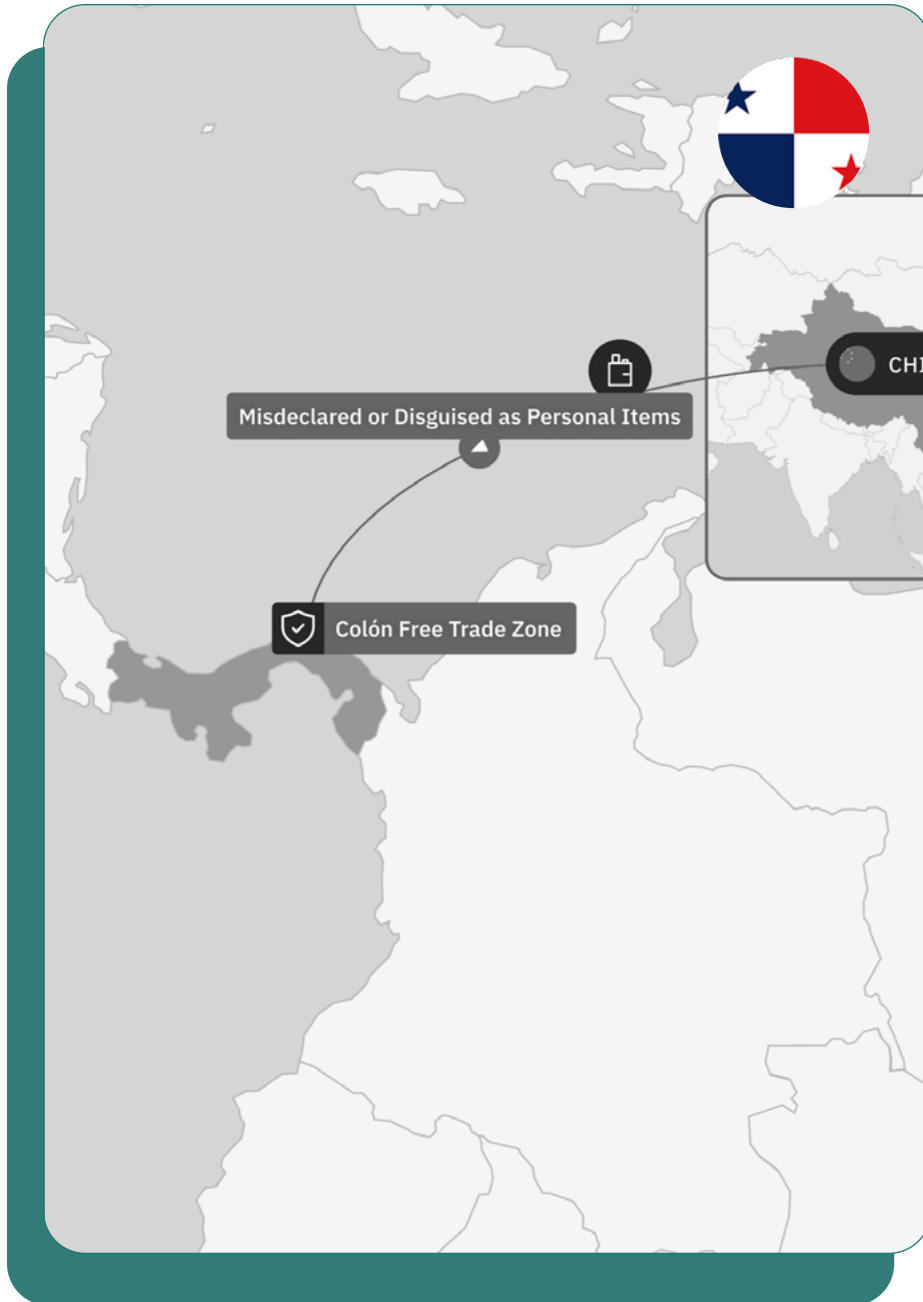


# ApiraSol

## E-CIGARETTES IN PANAMA 2024/2025 – Q2

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SUPPLY CHAIN INTELLIGENCE  
APRIL 2026



# Overview

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**1**

**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.

**2**

**E-CIGARETTE TRADE  
LATIN AMERICA**

# E-Cigarette Trade - Latin America

This report examines the trade of e-cigarettes in **Panama**.

E-cigarette regulations in Latin America vary widely, with most countries leaning toward strict bans while a few adopt structured frameworks. **Mexico, Brazil, and Argentina** enforce comprehensive prohibitions on the sale, import, advertising, and use of e-cigarettes and related devices, prioritizing public health and youth protection. In contrast, **Panama and Paraguay** have shifted to regulated models: Panama introduced strict controls on sale, advertising, and public use in 2025, while Paraguay passed a law establishing a full framework for importation, production, and commercialization of vaping products.

In 2024, China's export data showed hundreds of thousands of dollars' worth of e-cigarette shipments to banned markets like **Brazil** and **Argentina**. **Mexico's** reported imports from China dropped sharply in 2025 following its ban. While **Panama** and **Paraguay** have regulatory frameworks, their declared imports still fall short of China's reported export volumes, suggesting substantial leakage into informal or illicit channels.



Illicit e-cigarette trade remains widespread across Latin America. Banned countries—**Mexico, Brazil, and Argentina**—see thriving black markets despite strict prohibitions, with authorities reporting seizures at ports, warehouses, malls, and border provinces. In Mexico, enforcements have uncovered Chinese-origin shipments disguised as clothing or electronics and routed through Paraguay. Investigations also point to growing involvement of Mexican cartels, which are leveraging established trafficking routes to move Chinese-made vaping products into the U.S.—a development increasingly viewed as a major security concern. In regulated markets like **Panama** and **Paraguay**, enforcement challenges persist. Panama reports misdeclared shipments through Free Trade Zones, while Paraguay continues as a key transshipment hub for Brazil and Argentina. Despite introducing stricter controls on e-cigarette imports, these measures do not appear sufficient to effectively curb the flow of illicit products. Goods from China were often hidden in trucks or warehouses, and Brazilian authorities have intercepted multiple truckloads of illicit e-cigarettes originating from Paraguay—underscoring its strategic position in regional smuggling networks. These patterns highlight systemic enforcement challenges and the growing role of organized networks, underscoring the urgent need for stronger cross-border cooperation and tighter trade controls.

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E-CIGARETTE TRADE -  
PANAMA

# Summary

The 2024 statistical data for e-cigarettes between China and Panama shows a significant statistical gap: China reported exports worth \$9.34 million, while Panama recorded only \$2.23 million in corresponding imports, leaving a discrepancy of about \$7.11 million. This discrepancy can be better explained by examining several structural and operational factors that shape how e-cigarette trade is regulated, routed, declared, and recorded between the two countries:

- **Regulatory Environment:** Panama’s evolving framework on e-cigarettes, including prohibitions and subsequent regulatory adjustments, restricts formal market channels and can discourage full, accurate declaration of e-cigarette imports, pushing part of the trade into less transparent regimes or special zones.
- **Transshipment and Re-Routing:** As a regional logistics hub with major free zones, Panama is frequently used for transshipment and re-routing of goods, meaning consignments reported by China as “to Panama” may be quickly redirected to other countries, with some flows recorded under re-export or warehouse regimes rather than as standard Chinese-origin imports into Panama.
- **Misdeclaration and Evasion:** Operators may misdeclare e-cigarettes under alternative HS codes (for devices or other inhalation products), understate values, or describe cargo in generic terms to reduce tax and regulatory scrutiny, contributing to mismatches between Chinese export declarations and Panamanian import records.

- **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 Panama and its trading partners exacerbate discrepancies, making reconciliation of bilateral trade figures challenging.
- **Prevalence of Smuggling and Illicit Trade:** Evidence of significant illicit trade in tobacco and nicotine products in and through Panama indicates that a share of flows likely bypasses formal customs channels entirely or is only partially declared, reinforcing the gap between what China records as exports and what Panama reports as legal imports from China.

Taken together, these factors indicate that the statistical gap reflects the combined impact of regulatory constraints, Panama’s role as a transit and re-export hub, limitations in customs and statistical systems, and the persistence of illicit trade, all of which make it difficult to obtain a fully accurate picture of e-cigarette flows into and through the country.

## Regulatory Overview

As of 2025, Panama has made a significant shift in its national policy on electronic cigarettes, moving from an outright ban to a more

structured and enforceable regulatory framework. This change was prompted by the 2024 Supreme Court ruling that invalidated the previous law banning e-cigarettes due to procedural issues. In response, the Ministry of Health (MINSa) introduced Resolution No. 146 of January 31, 2025, which reestablishes strict controls on the use, sale, advertising, and public visibility of electronic nicotine delivery systems (ENDS), heated tobacco products, and similar devices.

The regulation prohibits the use of these products in all public and enclosed spaces where traditional smoking is banned, including workplaces, schools, hospitals, restaurants, and public transportation. It also bans the sale, distribution, and free provision of these products to minors, and strictly forbids all forms of advertising, promotion, and sponsorship—including digital marketing, influencer endorsements, and point-of-sale displays.

In addition to use and marketing restrictions, the resolution introduces comprehensive requirements for product registration and packaging. All e-cigarette products and their components, including cartridges and refill containers, must undergo sanitary registration with the Ministry of Health before being legally marketed. Products that are not registered or fail to meet regulatory standards are subject to confiscation and removal from the market.

Packaging regulations are equally stringent. All products must display graphic health warnings in Spanish, covering a significant portion of the packaging. These warnings must clearly communicate the health

risks associated with nicotine and aerosol exposure. The use of misleading descriptions such as “light,” “mild,” or “low tar” is prohibited, as is any packaging design that could appeal to minors, including the use of bright colors, cartoon imagery, or flavor descriptors.

Retailers are required to store products out of public view, such as in closed cabinets or behind counters, and must display signage indicating that sales to minors are prohibited. Non-compliance with these provisions can result in fines, confiscation of products, and temporary closure of establishments.

## Statistical Data (China as Origin)

China’s declared exports of e-cigarettes to Panama in 2024 totaled \$9,338,000, while Panama’s declared imports from China reported \$2,228,000—creating a **discrepancy of approximately \$7.11 million**.

The substantial discrepancy indicates significant inconsistencies in bilateral trade reporting. This gap suggests possible underreporting, re-routing, misclassification, or unrecorded shipments, and reflects the challenges associated with monitoring and regulating cross-border e-cigarette trade between the two countries.

### Total Value 2024:

- Total Exports from China 2024: \$9,338,000
- Total Imports from China 2024: \$2,228,000
- **Statistical Gap: \$7,110,000**

## EXPORTS OF E-CIGARETTES FROM CHINA TO PANAMA - 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          | PANAMA              | 9,334                                     | 691  |
| 24041990      | Other products containing nicotine substitutes, intended for inhalation without combustion | CHINA          | PANAMA              | 0   | 0  |
| 24041910      | Other products containing tobacco substitutes, intended for inhalation without combustion  | CHINA          | PANAMA              | 0   | 0  |
| 85434000      | Electronic cigarettes and similar personal electric vaporizing devices                     | CHINA          | PANAMA              | 4   | 8  |
| <b>Total:</b> |  |                |                     | <b>9,338</b>                              | <b>699</b>                                       |

## IMPORTS OF E-CIGARETTES TO PANAMA 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) |
|---------------|---|----------------|---------------------|---|--|
| 24041200      | Products containing nicotine, intended for inhalation without combustion (excl. containing . . .  | CHINA          | PANAMA              | 1,840                                     | 1,082  |
| 24041990      | Products containing nicotine substitutes, intended for inhalation without combustion (excl. . . . | CHINA          | PANAMA              | 2   | 0  |
| 24041910      | Products containing tobacco substitutes, intended for inhalation without combustion (excl. . . .  | CHINA          | PANAMA              | 0   | 0  |
| 85434000      | Electronic cigarettes and similar personal electric vaporizing devices                            | CHINA          | PANAMA              | 386                                       | 171  |
| <b>Total:</b> |   |                |                     | <b>2,228</b>                              | <b>1,253</b>                                     |



Exports from China to Panama

**9,338,000**

Total 2024 Value (USD)  
1H 2025 Value (USD): 699,000

Imports to Panama from China

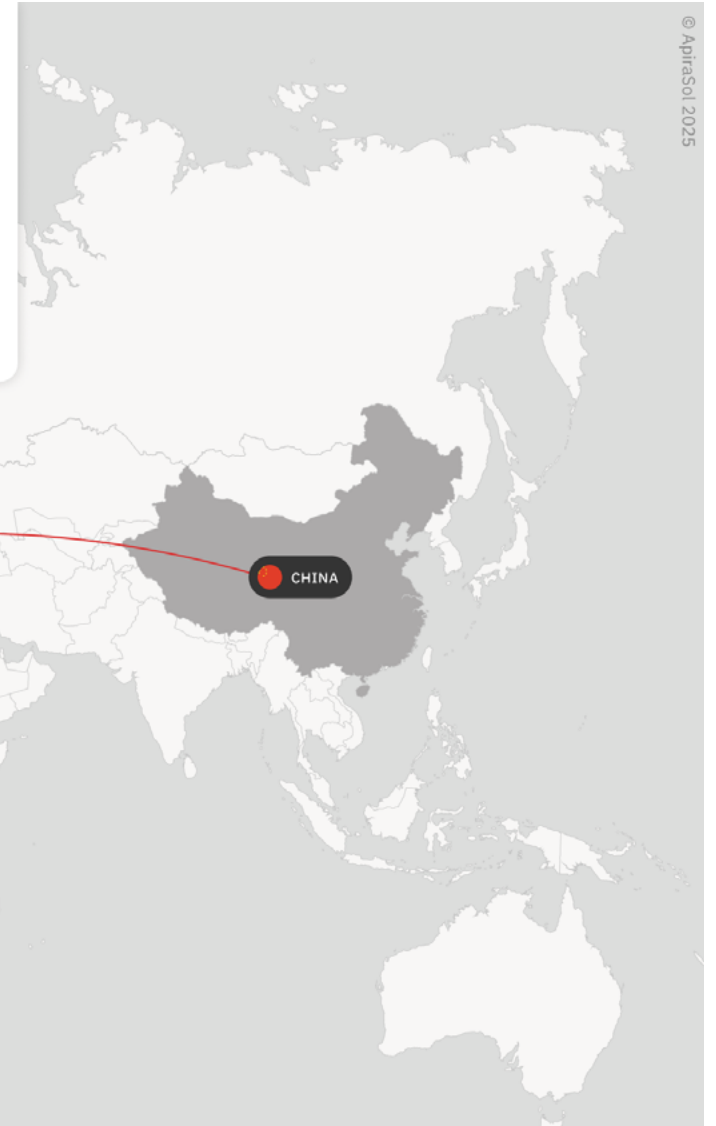
**2,228,000**

Total 2024 Value (USD)  
1H 2025 Value (USD): 1,253,000

Statistical Data Gap \*

**7,110,000**

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



# PANAMA

## TRADE DATA

The 2024 trade pattern for e-cigarette shipments from Indonesia and China to Panama suggests that Panama operates as a regional logistics and distribution hub for e-cigarette products. However, the dataset shows important limitations. The overall number of recorded shipments is relatively low and product descriptions remain broad, with no detail on specific brands or final destinations beyond Panama. These gaps constrain the ability to fully map supply chains, quantify re-exports, or distinguish between goods intended for Panama’s domestic market and those transiting to other countries.

|                        |   |
|------------------------|---|
| <b>Shipments:</b>      | <b>13 Trade Shipments</b>   |
| Period:                | January - December 2024   |
| Origin Countries:      | Indonesia: 77%, China: 23 %   |
| Origin Ports:          | Not declared: 23 %, Sekupang: 77 %  |
| Destination Countries: | <b>Panama</b>   |
| Destination Ports:     | Colon: 38 %, Panama City: 38%, Zona Aeroportuaria Tocumen: 16 %, Area Economica Panama Pacifico Howard: 8 % |
| Products:              | <b>Electronic cigarettes, e-cigarettes</b>  |
| E-Cigarette Brands:    | <i>[REDACTED]</i>   |
| Mode of Transport:     | Unknown: 77 %, Air: 15 %, Sea: 8 %  |

## PANAMA

|                                 |  |
|---------------------------------|--|
| Value declared:                 | <b>12,508.02 USD</b> (100 % of shipments)  |
| Weight declared:                | 493.90 KG (100 % of shipments)   |
| Number of exporters:            | 4  |
| Number of importers:            | 5  |
| Top Exporters:                  | <i>[blurred text]</i>  |
| Top Importers:                  | <i>[blurred text]</i>  |
| HS Codes declared in shipments: | <b>240419:</b> Other products intended for inhalation without combustion (10 shipments)<br><b>854340:</b> Electronic cigarettes and similar personal electric vaporising devices (3 shipments) |



**Shipments** (Period FY 2024)

**13** | **12,508.02**  
Quantity | Value (USD)

All included shipments and brands are recognized by regulatory authorities and involve only companies operating in compliance with legal requirements.



**Destination Ports**

- Colon (38 %)
- Panama City (38 %)
- Zona Aeroportuaria Tocumen (16 %)
- Area Economica Panama Pacifico Howard (8 %)



**Origin Ports from China and Indonesia**

- Not declared (23 %)
- Sekupang (77 %)

**Mode of Transportation**

77 %, Air: 15 %, Sea: 8 %

**E-Cigarette Products**

Electronic cigarettes, e-cigarettes

**Legal Brands at Time of Shipment**

None

**Top Importers**

None

**Top Exporters**

None

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

Panamanian authorities have stepped up enforcement against illegal e-cigarettes, targeting shipments through the Colón Free Trade Zone and informal retail channels. Seized products—mostly from China—are often misdeclared or disguised as personal items. Despite regulatory reforms, 93% of nicotine products remain illicit, with enforcement focusing on online sellers, street vendors, and non-compliant importers.

Recent enforcement news further highlights the persistence and scale of the illicit tobacco and e-cigarette trade in Panama. Organized criminal groups are heavily involved, linking contraband not just to tax evasion but also to money laundering. Major operations have combined the efforts of customs, police, prosecutors, and even the national postal service, aiming to disrupt well-established smuggling networks. Collaborative enforcement actions underscore both the profitability and societal risks of the underground market, while the continued recurrence of large seizures reveals that regulatory and transparency challenges remain significant despite ongoing government efforts.

- **Locations of seizures:** Colón Free Trade Zone, informal retail channels throughout Panama, postal system interceptions.
- **Products Seized:** E-cigarettes and nicotine products, predominantly of Chinese origin.

- **Brands Seized:** Specific brands are rarely disclosed; seizures often consist of generic or misdeclared products.
- **Methods:** Goods are misdeclared, disguised as personal items, routed through free trade zones, and distributed via online sellers and street vendors.
- **Enforcement:** Coordinated actions by customs, police, prosecutors, anti-illicit trade organizations, and the national postal service; focus on identifying smuggling networks, non-compliant importers, and vendors operating outside regulatory frameworks.

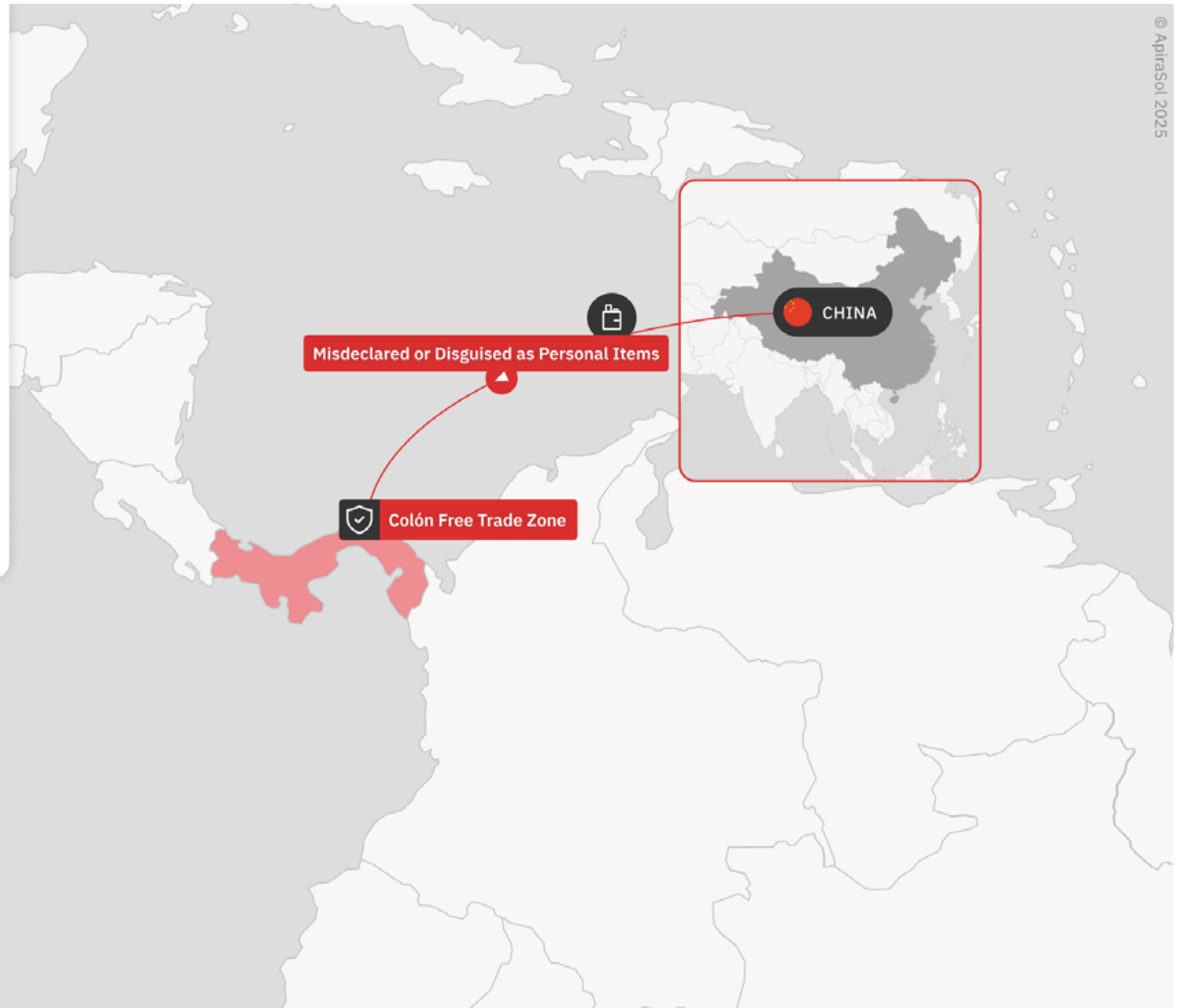


## PANAMA ILLICIT TRADE OVERVIEW

Panamanian authorities have stepped up enforcement against illegal e-cigarettes, targeting shipments through the Colón Free Trade Zone and informal retail channels. Seized products—mostly from China—are often misdeclared or disguised as personal items. Despite regulatory reforms, 93% of nicotine products remain illicit, with enforcement focusing on online sellers, street vendors, and non-compliant importers.

### Legend

-  Seizure
-  Mostly China-Origin Illegal E-cigarettes
-  Illicit Shipment
-  ENDS are banned



In five years, Panama recorded 1,208 tobacco smuggling cases worth over \$51 million—including regular and electronic cigarettes—raising concerns over public health, lost tax revenue, and crime.


### Panamá: eje de contrabando de cigarrillos en América Latina

02/02/2024

El contrabando de cigarrillos en Panamá se ha incrementado un 92 % en tres años, convirtiéndose en eje logístico de América Latina y el Caribe para el tráfico ilegal de este producto, denuncia ONG Crime Stoppers.

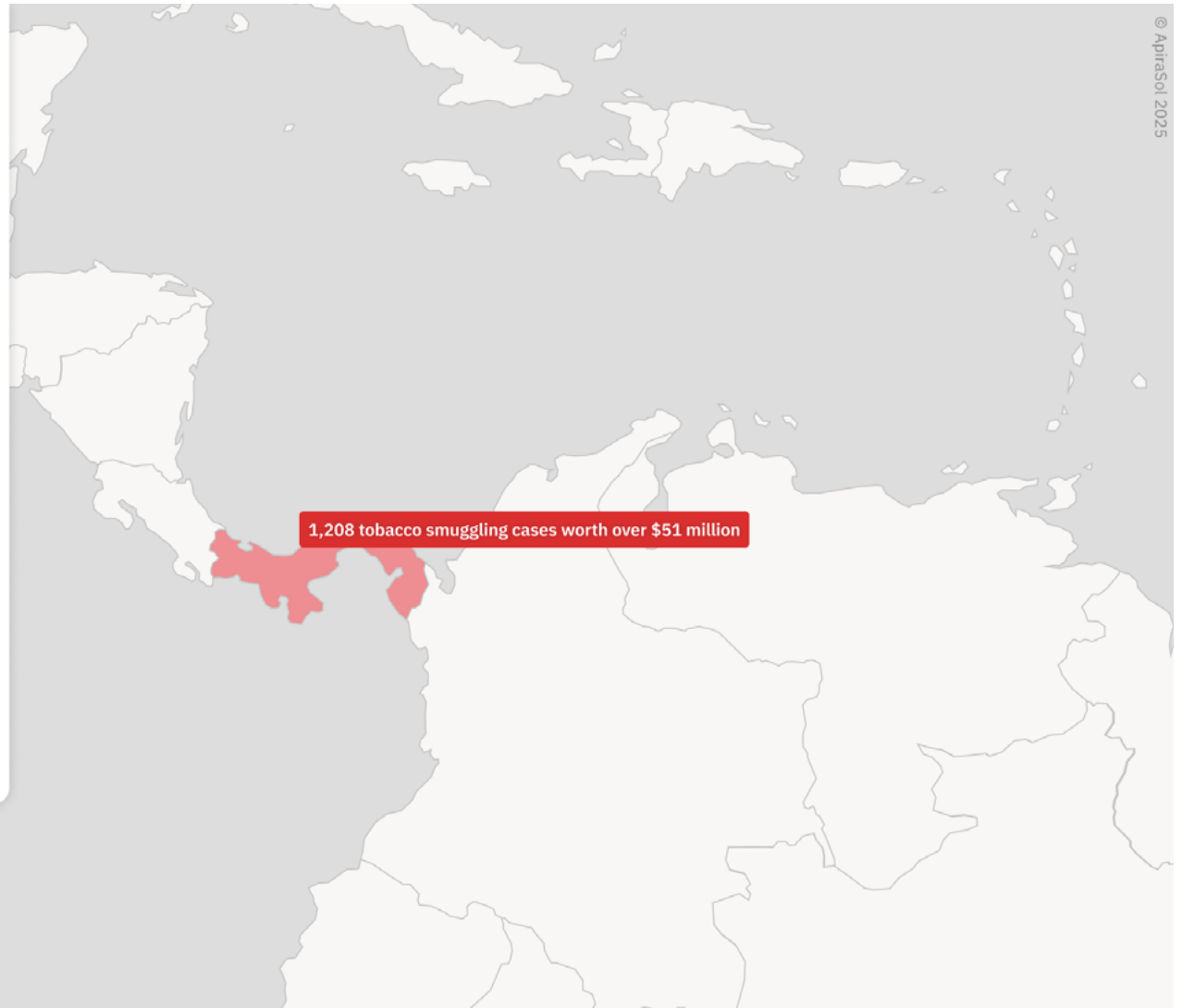


#### Legend

 ENDS are banned

#### Source

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## Contact us

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**ApiraSol GmbH**

Pappelallee 78

10437 Berlin, Germany

+49 3023 61 60 22

info@apirasol.com

**www.apirasol.com**