

ApiraSol

E-CIGARETTES IN PARAGUAY 2024/2025 – Q2

SUPPLY CHAIN INTELLIGENCE
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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
LATIN AMERICA**

E-Cigarette Trade - Latin America

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

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 - PARAGUAY

Summary

The substantial 2024 statistical gap between China’s reported e-cigarette exports to Paraguay (\$69,002,000) and Paraguay’s reported imports from China (\$4,073,000) – a difference of \$64,929,000 – indicates that a large volume of China–Paraguay e-cigarette trade is not fully or consistently captured in Paraguay’s official import statistics. Given Paraguay’s established role as a hub for contraband tobacco products in the Tri-Border Area and its emerging position as a transshipment point for Chinese e-cigarettes into Argentina and Brazil, this discrepancy is best explained by a combination of regulatory, operational and illicit-trade factors specific to the vaping sector rather than by a single statistical error.

- **Regulatory Environment:** Paraguay classifies and regulates e-cigarettes as tobacco products, with restrictions on public use, advertising and a specific excise burden, creating a formal market that is narrower than actual consumer demand. At the same time, gaps in product registration and enforcement allow many e-cigarette devices and e-liquids to enter under other categories such as generic electronics or essences, bypassing sector-specific controls and taxes and pushing a significant share of trade into grey or informal channels that are poorly reflected in import statistics.
- **Re-Routing:** Chinese e-cigarettes destined for Paraguayan wholesalers often move via regional logistics hubs, including seaports in Brazil and free-trade zones elsewhere in Latin

America, before being transported overland into Paraguay. In these cases, China’s customs may record Paraguay as the final destination, while Paraguayan data may attribute the origin to the last transit country or fail to separately identify e-cigarettes, contributing to an apparent bilateral gap for “from China” imports in this product category.

- **Misdeclaration and Evasion:** A common pattern in Paraguay is for e-cigarette hardware to be declared as generic electronic devices and for e-liquids to be declared as flavors or essences, thus avoiding higher tobacco-product taxes and tighter controls. This systematic misdeclaration and undervaluation reduces the recorded customs value of e-cigarette imports relative to the values reported by Chinese exporters under the correct HS codes.
- **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 Paraguay and its trading partners exacerbate discrepancies, making reconciliation of bilateral trade figures challenging.
- **Prevalence of Smuggling and Illicit Trade:** Paraguay has become a recognised hub for illegal trafficking of e-cigarettes into Argentina and Brazil, leveraging the same networks that historically moved large volumes of illicit combustible cigarettes through the Tri-Border Area. Large quantities of Chinese-origin

e-cigarettes reportedly enter Paraguay as contraband or are only partially declared and then smuggled onward, meaning that the full value of these shipments appears in China’s export data but is only weakly reflected, if at all, in Paraguay’s official import statistics, thereby amplifying the observed 2024 gap.

Overall, the 2024 China–Paraguay statistical gap for e-cigarettes reflects Paraguay’s role as a regional trans-shipment and smuggling hub for Chinese vaping products, in combination with regulatory features, customs-data limitations and widespread misdeclaration, rather than a simple data-entry anomaly.

Regulatory Overview

Paraguay regulates e-cigarettes under a new law passed by the Senate in June 2025, titled the “Ley que establece medidas sanitarias para regular el uso, comercialización y disposición de dispositivos electrónicos de administración de nicotina (SEAN) y sistemas similares sin nicotina (SSSN)”. This law provides a comprehensive framework for the importation, production, sale, advertising, and public use of vaping products, whether they contain nicotine or not.

All vaping products must be registered with DINAVISA (Dirección Nacional de Vigilancia Sanitaria). Importation, distribution, and sales are only allowed for products with a valid sanitary registration and from licensed establishments. A Selective Consumption Tax (ISC) of 22% to 24% is applied to all vaping products, similar

to traditional tobacco. Additionally, 40% of revenue from fines is allocated to youth prevention campaigns.

Sales to minors under 18 are banned. Products must be sold face-to-face, with online and cross-border sales prohibited. Vaping products cannot be sold in schools, hospitals, public transport, or enclosed public spaces. Advertising and sponsorship are banned across all media, with limited in-store promotion allowed if it includes health warnings and age notices. Public vaping is prohibited in enclosed spaces, workplaces, and transport, and venues must display signage about the ban and health risks.

Statistical Data (China as Origin)

China’s declared exports of e-cigarettes to Paraguay in 2024 totaled \$69,002,000, while Paraguay’s declared imports from China reported \$4,073,000—creating a **discrepancy of approximately \$64.9 million**. This kind of discrepancy can arise from factors such as re-routing and transshipment through regional hubs, under-valuation or misdeclaration of products, and the use of informal or illicit distribution channels that bypass or only partially appear in official customs data.

Total Value 2024:

- Total Exports from China 2024: \$69,002,000
- Total Imports from China 2024: \$4,073,000
- **Statistical Gap: \$64,929,000**

EXPORTS OF E-CIGARETTES FROM CHINA TO PARAGUAY - 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	PARAGUAY	65,587	45,167
24041990	Other products containing nicotine substitutes, intended for inhalation without combustion	CHINA	PARAGUAY	243	70
24041910	Other products containing tobacco substitutes, intended for inhalation without combustion	CHINA	PARAGUAY	0	0
85434000	Electronic cigarettes and similar personal electric vaporizing devices	CHINA	PARAGUAY	3,172	1,891
Total:				69,002	47,128

IMPORTS OF E-CIGARETTES TO PARAGUAY 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	PARAGUAY	3,797	1,966
24041990	Products containing nicotine substitutes, intended for inhalation without combustion (excl. . . .	CHINA	PARAGUAY	N/A	N/A
24041910	Products containing tobacco substitutes, intended for inhalation without combustion (excl. . . .	CHINA	PARAGUAY	N/A	N/A
85434000	Electronic cigarettes and similar personal electric vaporizing devices	CHINA	PARAGUAY	276	243
Total:				4,073	2,209

 **PARAGUAY**
STATISTICAL DATA



Exports from China to Paraguay

69,002,000

Total 2024 Value (USD)
1H 2025 Value (USD): 47,128,000

Imports to Paraguay from China

4,073,000

Total 2024 Value (USD)
1H 2025 Value (USD): 2,209,000

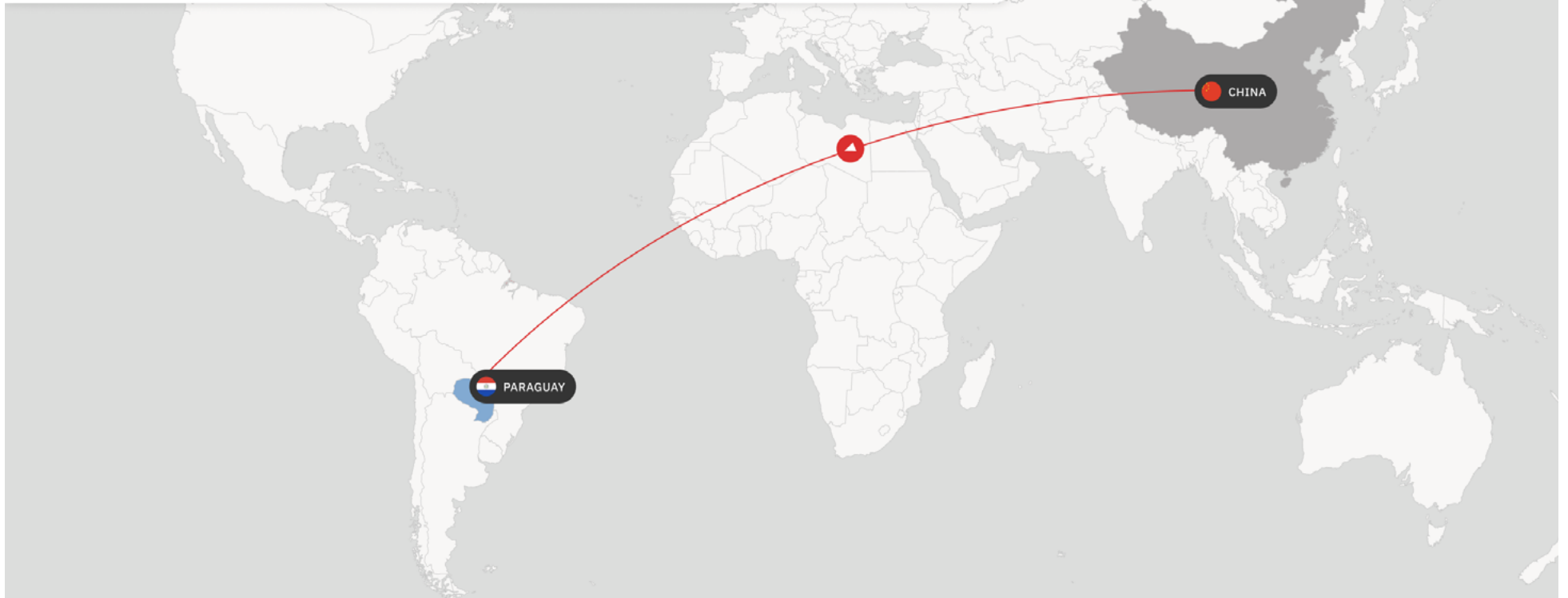
Statistical Data Gap *

64,929,000

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



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PARAGUAY

TRADE DATA

Paraguay's 2024 import data points to a concentrated but opaque trade in disposable nicotine e-cigarettes and electronic cigarettes, largely sourced from Asia. Limited shipment detail and frequent data gaps hinder efforts to trace supply chains, estimate the true market size, and clearly separate formal imports from onward or informal flows.

Shipments:	225 Trade Shipments
Period:	January - December 2024
Origin Countries:	China: 87%, Indonesia: 13 %
Origin Ports:	Not declared: 87 %, Sekupang: 13 %
Destination Countries:	Paraguay
Destination Ports:	Not declared: 87 %, Asuncion: 13 %
Products:	Disposable nicotine e-cigarette devices, electronic cigarettes, etc.
E-Cigarette Brands:	<i>[REDACTED]</i>
Mode of Transport:	Air: 46 %, Unknown: 41 %, Truck Flights: 12 %, Sea: 1 %

PARAGUAY

Value declared:	7,012,864.03 USD (100 % of shipments)
Weight declared:	155,720.79 KG (100 % of shipments)
Number of exporters:	4
Number of importers:	13
Top Exporters:	<i>[Redacted]</i>
Top Importers:	<i>[Redacted]</i>
HS Codes declared in shipments:	<p>240412: Other products containing nicotine, intended for inhalation without combustion (174 shipments)</p> <p>240419: Other products intended for inhalation without combustion (10 shipments)</p> <p>854340: Electronic cigarettes and similar personal electric vaporising devices (3 shipments)</p>

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

Paraguayan enforcement agencies have begun tightening controls on illegal e-cigarette products, uncovering large shipments in warehouses and border towns, particularly around Ciudad del Este and other key border corridors. Major interceptions have revealed goods originating from Asia, frequently misdeclared, under-valued, or routed through informal logistics channels, with some seizures tied to smuggling operations targeting Brazil and Argentina, where e-cigarettes are moved hidden in trucks, parcels, or disguised as other consumer goods.

These developments align with wider reporting that e-cigarettes have become a high-margin contraband commodity integrated into broader illicit trade and drug-trafficking networks, including cases involving cannabis “wax” and other controlled substances in vaping formats. Despite new regulatory measures and periodic high-profile seizures, Paraguay continues to function as a key transshipment hub, with porous borders, free-flowing informal markets, and extensive cross-border retail in Ciudad del Este undermining the overall effectiveness of enforcement and sustaining significant tax and public health risks.

- **Locations of seizures:** Warehouses and shops in Ciudad del Este and Luque, plus checkpoints and parcel/encomienda routes on key border corridors.







- **Products Seized:** Disposable and refillable e-cigarettes, e-cigarette cartridges and liquids, including cases involving cannabis “wax” and other drug preparations for vaping.
- **Brands Seized:** Mixture of low-cost imported e-cigarettes and unregulated brands aimed at cross-border shoppers, with reports emphasising bulk Chinese products rather than specific brand lines.
- **Methods:** Misdeclaration and under-valuation on customs documents, concealment in mixed cargo, trucks, warehouses and parcels, and widespread resale in informal and border-zone retail targeting cross-border shoppers.
- **Enforcement:** Joint actions by customs, tax authorities, the Public Prosecutor’s Office and SENAD, focusing on raids, seizures, and detection of under-invoicing and smuggling schemes in key border and commercial areas.

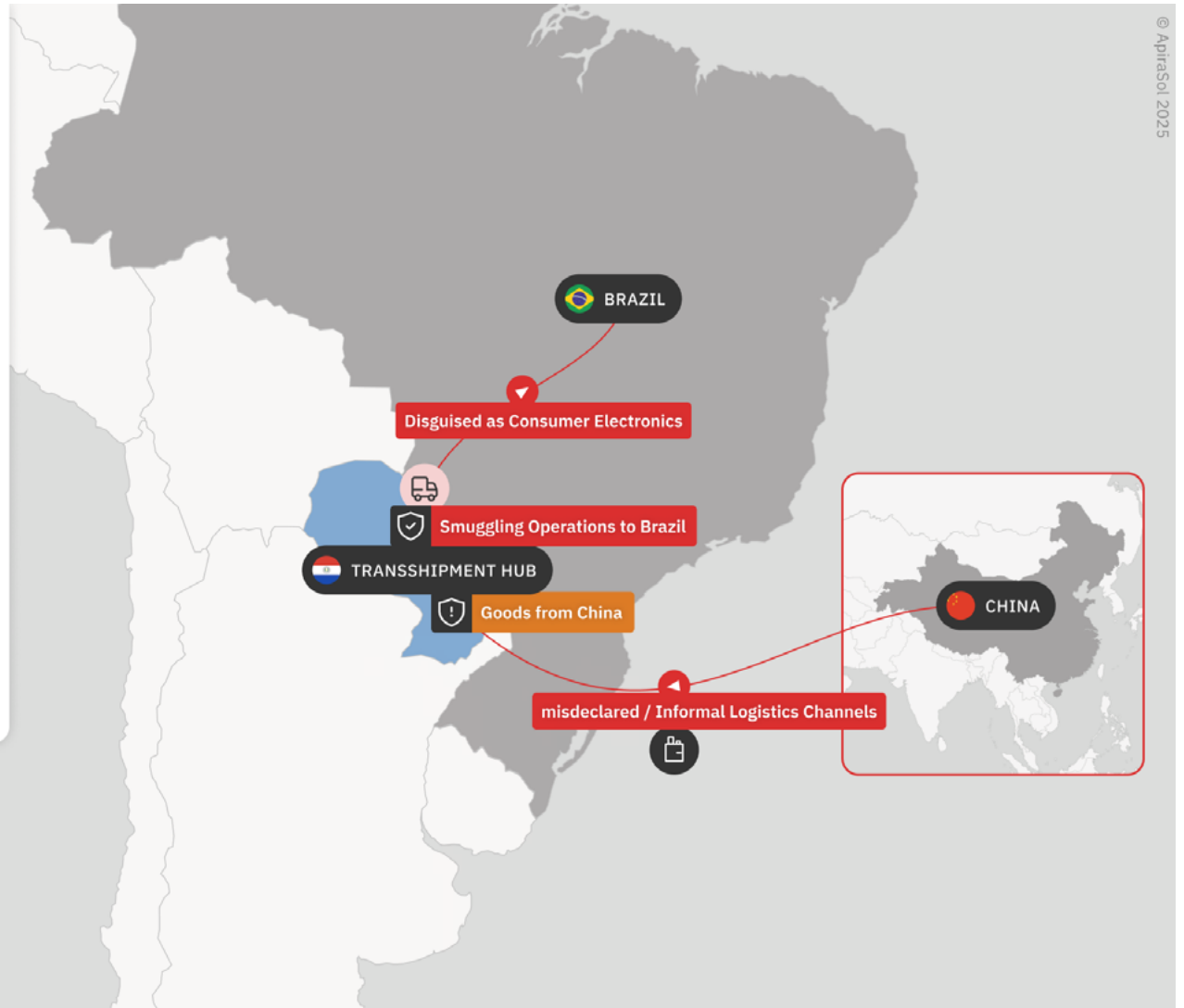


PARAGUAY ILLCIT TRADE OVERVIEW

Paraguayan enforcement agencies have begun tightening controls on illegal e-cigarette products, uncovering large shipments in warehouses and border towns. Major interceptions have revealed goods from China, often misdeclared or routed through informal logistics channels. Some seizures were linked to smuggling operations targeting Brazil, with products hidden in trucks or disguised as consumer electronics. Despite new regulations, Paraguay remains a key transshipment hub, with enforcement facing challenges due to porous borders and entrenched informal markets.

Legend

-  Seizure
-  Interception
-  Trucks
-  China-Origin E-cigarettes
-  Illicit Shipment
-  ENDS are regulated



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PARAGUAY ENFORCEMENT NEWS

Thousands of Chinese electronic cigarettes are smuggled into Paraguay and openly sold in Ciudad del Este, mainly to Brazilian and Argentine buyers. These large quantities are disguised as other goods to avoid high import taxes. The products are banned and regularly seized in Brazil and Argentina at border checkpoints. Smuggling of e-cigarettes—sometimes containing cannabis oil—has become a major illicit business in the region, with minimal regulatory control or knowledge of their ingredients.



25 de Junio de 2024 1642 Views

VAPEADORES que ingresan de CONTRABANDO se vende a brasileños y argentinos en comercio de Ciudad del Este

Legend



Seizure



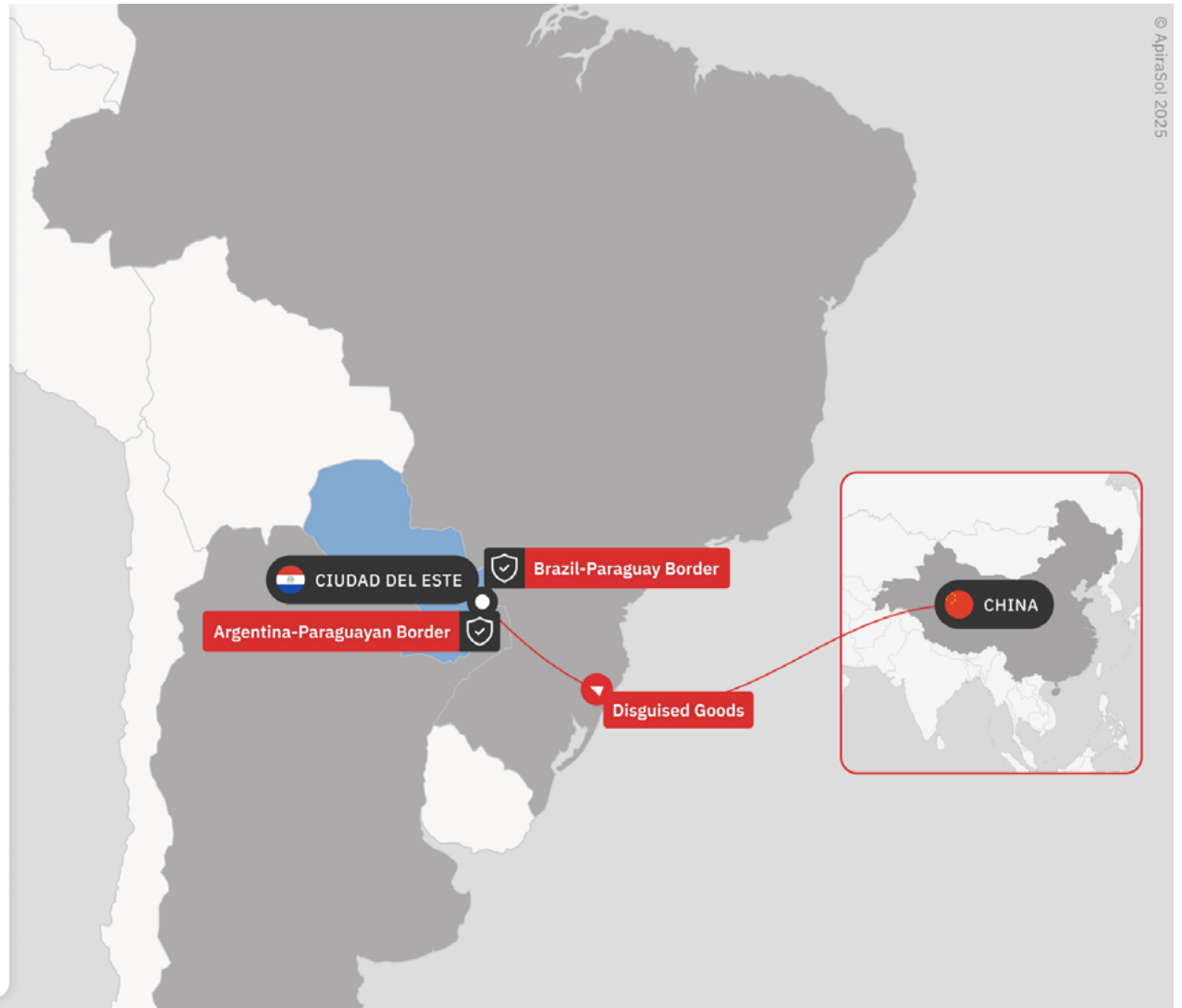
Illicit Shipment



ENDS are regulated

Source

<https://ahoracde.com/vapeadores-que-ingresan-de-contrabando-se-vende-a-brasilenos-y-argentinos-en-comercio-de-ciudad-del-este/>



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