

NEWS RELEASE

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STOP ORGANISED CRIME PROFITING FROM POLITICAL UNREST

KUALA LUMPUR, 6 August 2021 – Malaysia's political uncertainties and economic issues caused by the pandemic are benefiting organised crime, especially those involved in illicit trade and smuggling activities, said Retail and Trade Brands Advocacy Malaysia Chapter (RTBA Malaysia).

The statement from the advocacy group that protects businesses in the Asia-Pacific region from criminal conduct came on the back of the current political turmoil, increasing unemployment rates and decreasing household income levels.

Citing a report by the United Nations Office on Drug and Crime entitled "Crime and Instability", **Dato' Fazli Nordin, Managing Director of RTBA Malaysia**, said, "Studies have shown a clear correlation between political instability and increased activities perpetrated by organised crime. Naturally, criminals benefit when governments take their eyes off security and enforcement issues while at the same time neglecting economic challenges."

"Malaysia's political unrest has not reached a critical stage yet, but nevertheless, we are already seeing an uptick in illicit trafficking activities in recent months, especially in the smuggling of illegal cigarettes," he added.

According to Dato' Fazli, organised criminal syndicates are bringing in massive amounts of illegal cigarettes from other countries, including Indonesia and Vietnam, via large cargo vessels, stopping just short of the Malaysian borders. "A smart operation involving foreigners and local cohorts will then bring these cigarettes in through our porous coastlines to be distributed throughout Malaysia," he said.

Dato' Fazli explained that the most worrying element of this entire black market operation is the revelation of crime bosses or Mafia-like Dons who sit at the top of the criminal organisation chart controlling all aspects of this multi-billion illegal business. "Although our law enforcement agencies are well aware of who exactly these Dons are, could it be that action could not be taken because our leaders and policymakers are constantly distracted playing Game of Thrones?" Dato Fazli questioned.

Dato' Fazli added that allowing smuggling Dons to operate will undermine the rule of law and establish a vicious cycle that could lead to a de facto failed state. "Organised criminal syndicates welcome political instability and will be more than willing to facilitate a dysfunctional Government through corruption. Moreover, stretched incomes and high unemployment rates will also mean more consumers turning to smuggled products that are untaxed and unregulated."

"It is now more important than ever for all our leaders and policymakers to come together to cohesively push through bold and tangible policies that drive economic recovery and prevent unnecessary leakages. Political will goes a long way towards meaningful progress," he said.

“We have seen clever policies put in place in Budget 2021 having an impact on the illegal cigarettes trade in the early stages.

But organised crime is now making a comeback. As such, the Government must be decisive in maintaining the excise moratorium and address the price gap between legal and illegal cigarettes to make it unprofitable for criminals.”

Simultaneously, we also have to empower our enforcement agencies with all the tools and policies they require to go after the smuggling Dons effectively,” he concluded.

End

About Retail & Trade Brands Advocacy Malaysia

The RTBA Malaysia Chapter is the subdivision of RTBA, headquartered in Victoria, Australia. It is a coalition of business, retailers and trademark holders working to protect the retail and supplier industries in the Asia-Pacific region from the impact of criminal conduct. RTBA's focus is to unite, mobilise and advocate for effective change in regulatory, financial and taxation issues affecting the supply chain.

Today, RTBA continues to play an active role in the efforts to enhance product security and increasing penalties for criminals involved in black market operations; stamp out illegal activities including counterfeiting, piracy and illicit trade of consumer goods; protect brands & IP rights of suppliers, manufacturers, trademark owners and consumers as well as to provide positive regulatory and taxation solutions for all constituents of retail trade and supply chains.

More information at www.rtbamalaysia.com.

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