

NEWS RELEASE

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BAN ON CIGARETTES AND VAPE WILL ENRICH CRIMINAL SYNDICATES

KUALA LUMPUR, 28 January 2022 – Malaysia’s move to ban the sale of all cigarettes and vapour products to its next-generation will be counter-productive socio-economically and will especially benefit criminal syndicates involved in trafficking contraband products, said Retail and Trade Brands Advocacy Malaysia Chapter (RTBA Malaysia) today.

The statement from the advocacy group that protects businesses in the Asia-Pacific region from criminal conduct came on the back of a recent statement made by the Minister of Health, YB Tuan Khairy Jamaluddin, in Geneva yesterday on its plan to ban smoking for the next generation of Malaysians by making it illegal for the sale of tobacco and other smoking products to anyone born after 2005.

Dato’ Fazli Nordin, Managing Director of RTBA Malaysia, said, “Based on the analysis made by RTBA Malaysia, the country is still not ready to emulate New Zealand’s approach in banning cigarettes and vape products for the next generation. The exceptionally high prevalence of illicit cigarettes in Malaysia in itself presents a critical barrier.”

Today, Malaysia has one of the highest incidences of illicit cigarettes globally, at 57.3% of the market. This has caused the Government to lose RM5 billion in uncollected tax revenue each year.

“Imagine what an outright ban of cigarettes and vape products would do? Criminal syndicates will enjoy a monopoly market of an entire segment of the population born from 2005 onwards! The socio-economic cost to this scenario would be unimaginable!” Dato’ Fazli exclaimed.

In highlighting a recent case study, RTBA Malaysia explained that Bhutan had moved to ban the sale of cigarettes and restricted smoking in public areas in 2004. As a result of this ban, illegal cigarette trafficking blossomed exponentially. As a result, smoking prevalence remained high, with more youth picking up the habit due to the easy availability of unregulated illegal cigarettes.

Dato’ Fazli pointed out that Singapore’s outright ban on e-cigarettes is another good example when it comes to vaping. “Despite the ban, the Health Sciences Authority (HAS) reported that there were 9,738 cases involving the illegal importation of e-vaporiser and 196 cases involving the sales of such products from 2018 to 2020. This is a country that prides itself for strict enforcement of the law and low prevalence of illegal products in its market,” he added.

According to Dato’ Fazli, before Malaysia can even contemplate a ban of cigarettes and vaping products in its market, it has to bring down the prevalence of illicit cigarettes to a low level through excise reforms and enhanced enforcement. “In New Zealand, illicit cigarettes prevalence is below 15%. It also has an advanced smoking cessation programme that embraces e-cigarettes. While these are



enabling factors for its Tobacco Generation End Game policy, the outcome of this initiative is still far from certain and may eventually be counter-productive to the progress it has made towards its Smokefree 2025 goals. History has taught us that prohibition often leads to negative repercussions,” he concluded.

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About Retail & Trade Brands Advocacy Malaysia

The RTBA Malaysia Chapter is the subdivision of RTBA, headquartered in Victoria, Australia. It is a coalition of businesses, 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 increase 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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