

Malaysia



Summary of Findings

1. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Tobacco Industry (TI) executives were allowed to an open dialogue session with Parliamentarians at Parliament House and the Health Ministry held various consultations with industry representatives.

A TI representative also wrote to the former Deputy Minister of Finance urging the government to regulate the industry through the existing Food Act 1983 rather than through a stand-alone omnibus act. The Excise Duties (Amendment) Order and the removal of liquid nicotine from the list of controlled substances under the Poisons Act paved the way for taxing e-liquids.

An industry group, MEVTA (Malaysia e-Vaporizers & Tobacco Alternative Association) reportedly met with the Prime Minister shortly before the enactment of the Control of Smoking Products for Public Health Act 2024 (Act 852). However, the Generational End Game (GEG) provisions, which included measures to regulate vaping, were dropped from the bill. It was also noted that MIDA (Malaysian Industrial Development Authority) promoted and highlighted news about BAT on its website, signaling support for tobacco-related businesses.

2. INDUSTRY CSR ACTIVITIES

The Deputy Prime Minister launched the “Beyond Benih” programme, a collaboration between BAT and the Federal and State levels of FAMA (Federal Agriculture Marketing Authority). This is part of BAT’s CSR programme, which carried the same tagline “A Better Tomorrow”.

In 2024, the Agriculture Department awarded BAT Malaysia a Certificate of Appreciation as a Strategic Partner for the “Kebuniti” community farm projects. The Centre for Industrial Relations and Networks (CiRNet) at University Putra Malaysia conducted a tree-planting CSR activity jointly with PMI.

3. BENEFITS TO THE INDUSTRY

There was a further delay in the already staggered implementation and enforcement of the Act 852. The ban on display of cigarette packs and electronic smoking devices, initially set for 1 April 2025 implementation, was pushed back to 1 October 2025 thereby giving the tobacco and nicotine industry 14 months to comply. The requirement for standardised packaging and labelling of smoking products, scheduled for 1 October 2025, gave the industry a lengthy 20 months to apply the law.

The government continues to extend privileges, tax exemptions, subsidies, financial incentives, and other benefits to the TI, including the relocation privilege that benefitted BAT Malaysia. MIDA’s policy to boost export investments also provides duty free exemptions for tobacco, while import duties on tobacco leaves and cigarettes remain below 5% under ATIGA (AFTA).

4. UNNECESSARY INTERACTION

There was evidence of unnecessary interactions between senior officials and the TI, including courtesy calls involving TI representatives with the Prime Minister, senior members of the Malaysian Cabinet and high-level government officials.

These engagements were aimed at securing continued support for a favourable business environment for the TI, as well as to influence enforcement programs. Findings from TI funded studies on illicit trade were presented to the government.

The Health Minister defended the presence of tobacco and vape industry lobbyists meeting MPs as “appropriate in any mature and civil democracy”, a stance that reflects an unnecessary interaction and a conflict of interest under WHO FCTC Article 5.3.

5. TRANSPARENCY

There is non-disclosure of meetings or interactions of the government with tobacco-related industries. The Deputy Health Minister cited industry interference as a reason for the postponement and removal of the generational endgame clause from the Act 852 Bill. A letter from the TI to the former Deputy Finance Minister was in circulation, along with two letters from the office of the Finance Ministry to the Health Ministry expressing support for legalizing the nicotine industry.

6. CONFLICT OF INTEREST

A conflict of interest situation exists in the Government Multi-Agency Task Force which includes the National Kenaf and Tobacco Board (LKTN), on which BAT holds a seat. This arrangement risks undue influence and compromises the effectiveness of the Task Force's decisions.

7. PREVENTIVE MEASURES

The Ministry of Health and the inter-agency committee on tobacco control has not adopted any measures to implement Article 5.3. The government does not require the TI to provide information on its revenue, marketing expenditure, philanthropy or lobbying activities. There is no lobbyist register and no public disclosure of interactions between the government and TI.

Recommendations

1. Implement a code of conduct with clear ethical and integrity measures to ensure good inter-ministerial and intra-agency governance. This should outline specific engagement protocols, including those for political parties and legislators at all levels.
2. Enforce the ban on tobacco-related CSR activities and terminate the current MOU with BAT Malaysia for the Beyond Benih program.
3. Establish a public registry listing all tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists.
4. Require the tobacco industry to disclose comprehensive information on tobacco production, manufacture, market share, marketing expenditures, and any other activity, including lobbying, philanthropy, political contributions.
5. Reinstate key clauses removed from Act 852 due to industry lobbying and interference, particularly the ban on nicotine products and the GEG provision to safeguard children and the future generation.