

Malaysia

**TOBACCO
INDUSTRY INTERFERENCE
INDEX 2025**

Date of Publication: May 2025

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**Acknowledgements: Southeast Asia Tobacco Control Alliance
(SEATCA)**

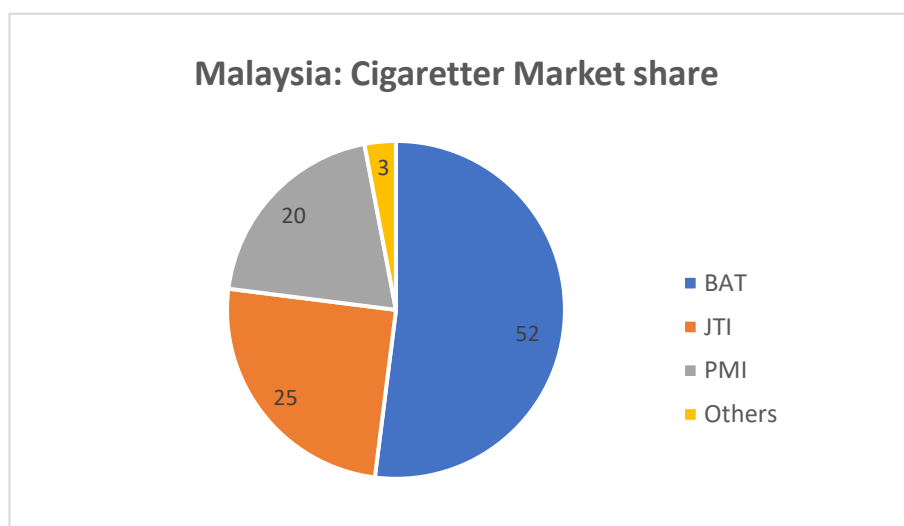
Background and Introduction

Malaysia became a party to the WHO Framework Convention on Tobacco Control (FCTC) in 2005 and committed to the implementing all the obligations under this treaty. While there has been much progress in tobacco control overall, however, 29, 457 lives are lost from tobacco use in a year. This is because there are still many areas of lack where Malaysia is not fully compliant with the obligations under the treaty and measures undertaken are compromised due to tobacco industry interference.

There are about 4.8 million adult smokers in Malaysia. In addition, an estimated 14.5% teenage boys and 3.6% girls (13-15 years) smoke. The economic cost of smoking and tobacco use in Malaysia each year is about RM15.85 billion.

The Malaysia cigarettes market size is about MYR4.8 billion (US\$1 billion) in 2023 (Annex A) and is dominated by three transnational tobacco companies (Figure 1). Malaysia imported cigarettes mainly from Indonesia (5.9b sticks in 2022) and the Philippines (2b sticks). In 2022, Malaysia exported cigarettes mainly to UAE (550m sticks), Thailand (166m sticks), India (41m sticks) and Indonesia (39m sticks). In 2023, Malaysia imported \$7.03M raw tobacco mainly from Brazil (\$2.07m), Argentina (\$1.31m), India (\$820K), Russia (\$596K) and Malawi (\$584K).^{1 2}

Figure 1: Cigarette market share in Malaysia

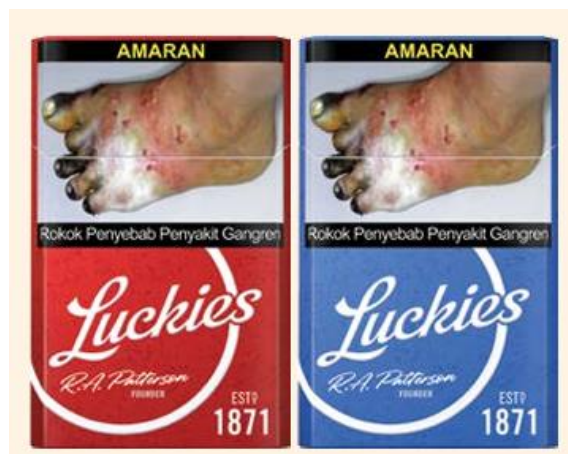


¹ Available at: <https://oec.world/en/profile/bilateral-product/raw-tobacco/reporter/mys>

² Available at: https://www.kpk.gov.my/kpk/images/mpj_statistik/2023_statistik_on_commodity/Tembakau_2023.pdf

Although BAT Malaysia claims smoking “pose serious health risks”, in August 2023, it launched *Luckies* (Luckies Red and Luckies Blue) cigarettes to “compete” in the cheap cigarette (value for money) category (Figure 2).³ The same year, upon the legalization of e-cigarettes, BAT launched *Vuse GO*. See Annex 3 for more details on cigarette promotions.

Figure 2: BAT launched cheap *Luckies* cigarettes in 2023 at RM12.00 per pack



*RM12.00 is the minimum price for 20stick pack allowed by regulations.

BAT reported its new warehouse is “equipped with the latest technology, enabling the Management of value-added services such as repacking and stickering” and “ensures swift customisation of products as per market needs.”⁴ BAT Malaysia claimed it will continue to focus on investing in the traditional cigarette segment, which still props up the company’s overall business.

The tobacco problem was compounded when the industry introduced electronic smoking devices (e-cigarettes and heated tobacco products) described as “safer alternatives” and policy makers allowed themselves to be persuaded to legalise these products despite mounting evidence and warnings that all forms of tobacco use is harmful.

In 2022, the e-cigarette industry reported there were 200 e-cigarette manufacturers, 100 importers, 2,500 specialist shops and 7,500 general stores involved in the vaping industry.⁵

In November 2023, Philip Morris Malaysia (PMM) launched three variants of its heated tobacco products IQOS ILUMA - namely IQOS ILUMA PRIME, IQOS ILUMA and IQOS

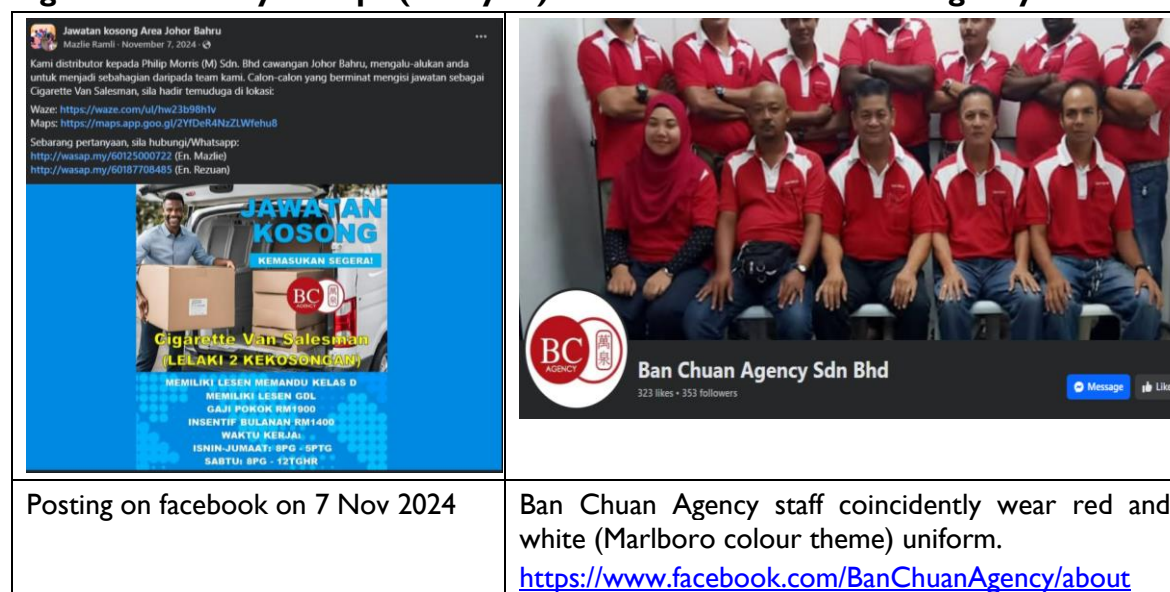
³ BAT Malaysia 2023 Annual Report. Available at: <https://www.batmalaysia.com/content/dam/endmarkets/my/en/download/investors-and-reporting/reporting/medMDD3YGF7.pdf>

⁴ BAT Malaysia 2023 Annual Report. Available at: <https://www.batmalaysia.com/content/dam/endmarkets/my/en/download/investors-and-reporting/reporting/medMDD3YGF7.pdf>

⁵ Li KS. Display ban throws vaping industry a curveball. TheEdge Malaysia. 2 Feb 2025. Available at: <https://theedgemalaysia.com/node/742510>

ILUMA ONE,⁶ claiming these products emit 95 per cent lower levels of harmful chemicals compared with cigarettes. In November 2024, PMM hosted “IQOS Together X Kuala Lumpur” event to promote its heated tobacco products claiming, “Our priority is to create a smoke-free Malaysia.”⁷ However, Godfrey Philips (Malaysia) (Philip Morris Malaysia) local distributor, Ban Chuan Agency Sdn Bhd was simultaneously recruiting more “cigarette van salesman” on social media to distribute its cigarettes.”⁸ (Figure 3)

Figure 3: Godfrey Phillips (Malaysia)’s distributor Ban Chuan Agency



Although the WHO FCTC Article 5.3 provides a clear mechanism to protect tobacco control policies from tobacco industry (TI) interference, Malaysia has made no progress in implementing the measures. As a result, tobacco control efforts have been delayed or undermined. With easy access of industry representatives to top policy makers, there has been no excise tax increase on tobacco since 2015, delisting of nicotine as a poison, easy access of tobacco products to minors, and delays in the tobacco control bill which was eventually passed in October 2023 without the GEG component.

The tobacco industry and those representing its interests (Annex B for industry allies) have applied pressure on the government and interfered against stringent measures. The ban on pack display at points of sale supposed to go into effect on 1 April 2025, has been delayed

⁶ Philip Morris launches IQOS Iluma sets sights on smoke-free Malaysia. Borneo Post. 3 Nov 2023. Available at: <https://www.theborneopost.com/2023/11/03/philip-morris-launches-iqos-iluma-sets-sights-on-smoke-free-malaysia/>

⁷ World of Buzz. Philip Morris Malaysia Continues the 10 Years of IQOS Celebration with Global Initiative, Together X, in Kuala Lumpur. 29 Nov 2024. Available at: <https://worldofbuzz.com/philip-morris-malaysia-continues-the-10-years-of-iqos-celebration-with-global-initiative-together-x-in-kuala-lumpur/>

⁸ Mazlie Rami’s post on facebook. 7 Nov 2024. Available at: https://www.facebook.com/groups/1888623647848931/posts/kami-distributor-kepada-philip-morris-m-sdn-bhd-cawangan-johor-bahru-mengalu-9330862263624995/?_rd=1

(deferred to October 1st) because the industry (retailers) claimed they were not ready after 14 months of preparation time. The law was gazetted in February 2024.

This report is Malaysia's ninth in the series of TI Interference Index, and the findings of this 2025 Index show there is continued high level of interference from the tobacco industry with insufficient action from the government to protect its tobacco control efforts. Malaysia's score this year is 77, similar to the high score of 76 in 2023.

Methodology

The report is based on a questionnaire developed by the Southeast Asia Tobacco Control Alliance. There are 20 questions based on the Article 5.3 guidelines. Information used in this report is obtained from the public domain only. A scoring system is applied to make the assessment. The score ranges from 0 to 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country. The 0 score indicates absence of evidence or not applicable. Where multiple pieces of evidence are found, the score applied reflects an average. The report covers information on incidents from **April 2023** up to **March 2025**, and includes incidents prior to **2023** that still have relevance today.

Summary of Findings

I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

There was substantiated evidence when the TI executives held an open Dialogue sessions with Parliamentarians at the Malaysian House of Parliament, while the Health Ministry held various sessions with industry representatives and legislators (including at a registered Government facility).

A letter was sent out by a TI representative to then Deputy Minister of Finance requesting the Government to immediately regulate the industry through the Food Act 1983, (which contained a revised draft of the Food Act and the Poisons Act). The Excise Duties (Amendment) Order and the delisting of liquid nicotine as a controlled substance under the Poisons Act allowed the tax on e-liquids to come into effect.

MEVTA (Malaysia e-Vaporizers & Tobacco Alternative Association) reportedly called on the Rt. Hon. Prime Minister just prior to the enactment of the Act 852 Control of Smoking Products for Public Health Bill 2024.

Unfortunately the GEG (with measures to regulate vape) were dropped from the Act 852 Bill.

It is duly noted that MIDA (Malaysian Industrial Development Authority) promoted and highlighted news items on BAT on its website, showing support for tobacco related business.

2 INDUSTRY CSR ACTIVITIES

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

In 2024, the Agriculture Department presented a Certificate of Appreciation to BAT Malaysia as a Strategic Partner for the “**Kebuniti**”, the community farm projects. It was also noted the PMI CSR activity with CiRNet (Centre for Industrial Relations and Networks), based in University Putra Malaysia (UPM), for its tree-planting activities.

3 BENEFITS TO THE INDUSTRY

There has been further delay in the already staggered implementation and enforcement of the Act 852:

- Ban on cigarette pack and electronic smoking devices display: 1 April 2025 which would in effect give tobacco and nicotine industry and retailers 14 months to comply – further deferred to 1st October 2025.
- Standardised packaging and labelling of smoking products: 1 October 2025 which would give the industry 20 months to comply.

The Government continues to provide privileges, tax exemptions, subsidies, financial incentives, or benefits as enjoyed by the TI, (as highlighted in 7.1, 7.2) including the relocation privilege which benefitted BAT Malaysia.

MIDA's (Malaysian Industrial Development Authority) policy to increase investment for exports include exemption of duties on tobacco.
Import duties on tobacco leaves and cigarettes are less than 5% under ATIGA (AFTA)

4 UNNECESSARY INTERACTION

There has been substantiated evidence of unnecessary interactions, including welcoming the courtesy calls which included the TI representatives with the Rt. Hon. Prime Minister, Senior Members of the Malaysian Cabinet and high-level government officials; their main mission was for the continued support to foster a conducive business and trade investment environment (including the tobacco industry), and advocacy and enforcement programs including the tobacco industry.
It was duly noted that the Tobacco Industry had funded studies on illicit trade, thus reported skewed due to **vested interest**.

The Hon. Health Minister defended the presence of tobacco & vape industry lobbyists meeting MPs as “**appropriate in any mature and civil democracy**”,⁹ demonstrated an unnecessary interaction with a Conflict of Interest, under Article 5.3 of the WHO FCTC.

5 TRANSPARENCY

Undoubtedly there is non-disclosure of meetings or interactions held with the tobacco related industries. However, this undue influence was highlighted by the Hon. Deputy Health Minister as a reason on the postponement and removal of the GEG on the Act 852 Bill.

A letter from the TI to the then Hon. Deputy Finance Minister was in circulation. There were least two letters from the office of the Finance Ministry (MOF) to the Health Ministry (MOH) supporting to legalise the nicotine vape industry.

6 CONFLICT OF INTEREST

There is a conflict of interest when the Government Multi-Agency Task Force (MATF) included the National Kenaf and Tobacco Board (LKTN), which is represented by BAT on Board. This can lead to undue influence and legitimacy of Board decisions.

7 PREVENTIVE MEASURES

Most importantly, a Code of Conduct needs to be developed and put in practice, especially for the Government and its inter-Agencies, Legislators and Political Parties, in adherence and in accordance to Article 5.3 FCTC, to ensure the integrity and good governance of the government.

There needs to be a disclosure of any interaction of officials with the tobacco industry. The industry must disclose its expenditure on marketing and lobbying, financial gains and/or benefits-in-kind given to government entities as this bears an impact on the advocacy and tobacco control measures.

⁹ CodeBlue. Health Minister defends tobacco vape industry lobbying as mature democracy. 20 Mar 2024
Available at: <https://codeblue.galencentre.org/2024/03/health-minister-defends-tobacco-vape-industry-lobbying-as-mature-democracy/>

Recommendations

Recommendation 1:

Implement the CODE of CONDUCT with ethical and integrity measures in place to ensure good inter-ministerial and intra-agency governance, laying down the specifics in engagement strategies including for political parties and legislators across the board.

Recommendation 2:

The government must implement the ban on tobacco related CSR activities and terminate the current MOU with BAT Malaysia on Beyond Benih program.

Recommendation 3:

There should be a registry for the disclosure of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists.

Recommendation 4:

The government must require the tobacco industry to submit information on tobacco production, manufacture, market share, marketing expenditures, and any other activity, including lobbying, philanthropy, political contributions.

Recommendation 5:

Due to industry lobbying and interference, several important clauses were removed from Act 852 such as **Generational EndGame (GEG) on Smoking Products**. The government should consider the inclusion of the GEG clause to protect children and the future generation.

Malaysia

Tobacco Industry Interference Index 2025

Results and Findings

	0	1	2	3	4	5
INDICATOR 1: Level of Industry Participation in Policy-Development						
1. The government ¹⁰ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests. ¹¹ In setting or implementing public health policies in relation to tobacco control ¹² (Rec 3.4)						5
After a delay, the Control of Smoking Products for Public Health Act 2024 (Act 852) was passed by Parliament in October 2023 without the crucial generational endgame (GEG) clause which would have protected the next generation from purchasing tobacco products. Before tabling the bill in November 2023, then-Health Minister retracted an earlier version of the bill that had been tabled last June that contained the generational prohibition on the sale to, purchase by, and smoking or use of both conventional and electronic cigarettes by anyone born from January 1, 2007. The Deputy Health Minister admitted in Parliament that the tobacco and vape industry had successfully influenced the government to drop the GEG proposal.¹³ When the tobacco control bill was being debated in parliament, industry representatives were present and lobbying against the generational endgame component of the bill. The Health Minister defended the presence of tobacco & vape industry lobbyists meeting MPs as “appropriate in any mature and civil democracy”,¹⁴ despite Article 5.3 of the WHO FCTC. The former Health Minister who first tabled the law in 2022 said, “Today is a sad day. I crafted the GEG for public health. And the bill that I brought to parliament which contained the GEG and measures to regulate vape sale received support from the public health community. “They had wanted vape to be banned, full stop. But we managed to find a middle ground where we included the GEG provision. Now, that has been dropped.”¹⁵ Although Act 852 was gazetted on 2 Feb 2024, the enforcement was delayed for 8 months until 1 Oct 2024.¹⁶ The Act sets new rules for tobacco and vape sales, including a ban on public display in stores, and prohibitions on online sales and vending machines. A minimum price of RM12 has been						

¹⁰ The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

¹¹ The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

¹² “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

¹³ CodeBlue. Deputy minister shockingly admits tobacco and vape industry killed GEG proposal. 14 Mar 2024. Available at: <https://codeblue.galencentre.org/2024/03/deputy-minister-shockingly-admits-tobacco-vape-industry-killed-geg-proposal/>

¹⁴ CodeBlue. Health Minister defends tobacco vape industry lobbying as mature democracy. 20 Mar 2024. Available at: <https://codeblue.galencentre.org/2024/03/health-minister-defends-tobacco-vape-industry-lobbying-as-mature-democracy/>

¹⁵ Malay Mail. Khairy says ‘congratulations’ to Big Tobacco, vape industry after Health Ministry tables anti-smoking law minus GEG clause. 28 Nov 2023. Available at: <https://www.malaymail.com/news/malaysia/2023/11/28/khairy-says-congratulations-to-big-tobacco-vape-industry-after-health-ministry-tables-anti-smoking-law-minus-geg-clause/104648>

¹⁶ Ministry of Health Malaysia. 30 Sep 2024 X Available at: <https://x.com/drdzul/status/1840731701984792843?s=46>

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mandated for packets of cigarettes, cigars, and heated products. All tobacco and vape products must also carry health warning images and text as prescribed by the regulations.						
2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)						5
In Sep 2024, just before the Bill came into effect, the vape industry submitted a joint memorandum to the Prime Minister at his Office in Putrajaya objecting to the regulations that will be implemented under Act 852. A coalition of five local vape representatives called on the PM to intervene calling on him to review what they termed “drastic measures”. They claimed, “If these prohibitive regulations are implemented, many will be affected and impacted. Many local players are likely go out of business,” according to Malaysia e-Vaporizers & Tobacco Alternative Association (MEVTA).¹⁷ In 2023, the vape industry and its representatives claimed these products can be taxed and the government will gain RM300m a year in taxes. Vape products were being sold illegally at that point in time. According to the pro-industry groups there were 3,000 vape retailers. The Finance Minister, after being lobbied by the vape industry and its representatives, amended the Customs Act to allow importation of e-cigarettes. The justification was that over RM2 billion in estimated market value of vape products were being sold illegally, and that half of the excise tax revenue collected will be allocated to the Health Ministry to improve the quality of health services.¹⁸ The Finance Ministry amended the Excise Duties (Amendment) Order on 29 March 2023 which subjects e-cigarette liquid or gel containing nicotine to excise duty of 40 sen per millilitre, gazetted by Finance Minister, who is also the prime minister.¹⁹ The tax on e-liquids with nicotine came into effect 1 April 2023. In October 2024, the Finance Ministry reported between 2021 to 2024 (3 years), the total revenue generated from excise taxes electronic cigarettes and vape products were RM183.1m²⁰ (not RM300m as projected in 2021). However instead of allocating the tax collected to the Ministry of Health, the Finance Ministry decided to deposit vape tax revenue into the federal consolidated fund contradicting earlier commitment to allocate half of that revenue for health purposes.²¹						
3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8)						5
No change.						

¹⁷ FOCUS Malaysia. Vape industry opposed Malaysia drastic laws on vape fears retail display ban will destroy industry. 23 Sep 2024. Available at: <https://focusmalaysia.my/vape-industry-opposes-malaysias-drastic-law-on-vape-fears-retail-display-ban-will-destroy-industry/>

¹⁸ Salim S. Govt to impose excise tax of 40 sen/ml on e-cigarettes, vaping products. The Edge Malaysia. 31 Mar 2023. Available at: <https://theedgemaalaysia.com/node/661680>

¹⁹ CodeBlue. Malaysia Shockingly Legalises Vape With Nicotine For Tax – Without Existing E-Cigarette Regulations. 31 Mar 2023. Available at: <https://codeblue.galencentre.org/2023/03/malaysia-shockingly-legalises-vape-with-nicotine-for-tax-without-existing-e-cigarette-regulations/>

²⁰ RM183mil in taxes collected from vape products. The Star Malaysia. 24 Oct 2024. Available at: https://www.thestar.com.my/news/nation/2024/10/24/rm183mil-in-taxes-collected-from-vape-products#goog_rewarded

²¹ FreeMalaysiaToday. Why redirect vape tax revenue from health initiatives, asks think tank. 11 Jul 2024 Available at: <https://www.freemalaysiatoday.com/category/nation/2024/07/11/why-redirect-vape-tax-revenue-from-health-initiatives-asks-think-tank/>

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National Kenaf & Tobacco Board: According to the National Kenaf & Tobacco Board Act 2009, the tobacco industry has a seat in the Board (represented by BAT). The National Kenaf & Tobacco Board (LKTN) participates in inter-sectoral tobacco control meetings. BAT’s Corporate and Regulatory Affairs Director has been a member of the LKTN since 2020. ²²												
The LKTN assumed jurisdiction of the licensing of tobacco retailers in 2011. After a long delay starting 1 January 2023, the LKTN has set up an online registration system to distribute tobacco which is “Free license registration”. Retailers license fee came into effect in 2024. According to the Health Ministry, there are about 51,000 retailers in Malaysia. As of August 2024, there were 30,000 licenses issued to retailers. ²³ There are no terms for registration such the retailer distance with schools, hospitals and places of worship. ²⁴												
4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) ²⁵ (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year.									2			
The legal officer from the National Kenaf and Tobacco Board (which has a representative of the tobacco industry) was part of the Malaysian delegation to COP10 in 2024 in Panama. ²⁶												
INDICATOR 2: Industry CSR activities												
5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as socially responsible. For example, environmental programs. (Rec 6.2) B. The government (its agencies and officials) receives CSR contributions ²⁷ (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests (eg political, social, financial, educational, community or other contributions (Rec 6.4) including environmental or EPR activities (COP10 Dec). NOTE: exclude enforcement activities as this is covered in another question												5
In 2023, the Deputy Prime Minister, who is also the Rural and Regional Development Minister, expands BAT’s “Beyond Benih” programme to a national programme. ²⁸ The programme was designed and delivered in collaboration with the federal and state level Department of Agriculture												

²² BAT Malaysia 2024 Annual Report. Available at: <https://www.batmalaysia.com/ar/2024/wp-content/uploads/2025/03/BAT-Malaysia-AR2024.pdf> pg 111

²³ 21 Aug 2024. Available at: <https://thesun.my/malaysia-news/lktn-urges-those-involved-in-tobacco-production-distribution-to-apply-for-licences-MD1288510>

²⁴ LKTN. Lesen v2.0 Available from: <https://www.lktn.gov.my/lktn/?p=5020&lang=en#>

²⁵ Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

²⁶ COP to the WHO FCTC. List of Participants. 1 Mar 2024. Available at: <https://iris.who.int/bitstream/handle/10665/377693/fctc-cop10-div-1-list-of-participants-en.pdf?sequence=1>

²⁷ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

²⁸ DPM Zahid launches national expansion of BAT Malaysia's "Beyond Benih" programme. Focus Malaysia. 11 Aug 2023. Available at: [DPM Zahid launches national expansion of BAT Malaysia's "Beyond Benih" programme](https://www.focusmalaysia.com/news/dpm-zahid-launches-national-expansion-of-bat-malaysia-s-beyond-benih-programme)

and Federal Agricultural Marketing Authority (FAMA) involving 10 sites.²⁹ Previously BAT launched just two pilot gardens programme in 2022. This CSR is aimed to run till 2026.

BAT stated that, “Our commitment to *A Better Tomorrow* is the driving force behind all our initiatives” associating this CSR programme with their tagline which it uses to promote its new tobacco products as safer alternatives.

In 2024, the Department of Agriculture collaborated with BAT Malaysia as “a strategic partner” to have community farm projects (Kebuniti).³⁰ Agriculture Department Director-General presented appreciation certificate to BAT Malaysia.



In 2023, PMI gave US\$ 8,987 to the Centre for Industrial Relations and Networks based in Universiti Putra Malaysia, a public university, for tree planting activities.³¹

INDICATOR 3: Benefits to the Tobacco Industry						
6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)						5
Although the Control of Smoking Products for Public Health Act 2024 (Act 852) was gazetted on 2 Feb 2024, it only officially came into force on 1 Oct 2024, after a delay of 8 months.³² Even then, the Health Ministry announced the enforcement was to be carried out in phases, with some actions that was enforced immediately, such ban on smoking and vaping in public places, and others in 2025. The Act itself took a long time coming, but the Ministry still provided a staggered implementation giving the industry a “grace period ... to ensure all stakeholders understand the guidelines and are prepared for the full implementation of the Act.”						

²⁹ BAT Malaysia 2023 Annual Report. Available at: <https://www.batmalaysia.com/content/dam/endmarkets/my/en/download/investors-and-reporting/reporting/medMDD3YGF7.pdf> pg 81

³⁰ Agri Culture Dept, BAT Malaysia to have nine more Kebuniti locations this year. 26 Feb 2024. Available at: <https://bernama.com/en/news.php?id=2273713>

³¹ Philip Morris International. 2023 Social contributions. Available at: https://www.pmi.com/resources/docs/default-source/our_company/transparency/pmi-2023-social-contributions.pdf

³² Act 852 on smoking products is now in effect: Here’s what to know, whether you are a smoker/vaper or not. MalayMail. 3 Oct 2024. Available at: <https://www.malaymail.com/news/malaysia/2024/10/03/act-852-on-smoking-products-is-now-in-effect-heres-what-to-know-whether-you-are-a-smokervaper-or-not/152339>

	0	1	2	3	4	5
The delay: - Ban on cigarette pack and electronic smoking devices display: 1 April 2025 which would in effect give tobacco and nicotine industry and retailers 14 months to comply - Standardised packaging and labelling of smoking products: 1 October 2025 which would give the industry 20 months to comply. BAT reported that it is “fully prepared to navigate these changes effectively.”³³ On 1 April 2025, the government announced a further delay in the implementation of these measures by 6 months to October 2025 due to industry pressure.³⁴						
7. The government gives privileges, incentives, tax exemptions, subsidies, financial incentives, or benefits to the tobacco industry (Rec 7.3)					4	
1. Excise tax: In the 2024 Budget, the finance minister introduced 5% excise duty on chewing tobacco,³⁵ but did not raise taxes on cigarettes. There was no excise tax increase on cigarettes in the 2025 budget for the 10th consecutive year. 2. Duty-free cigarettes and De minimis: - International travellers can bring in 200 sticks of cigarettes duty free not exceeding RM400.³⁶ - Or in Free Zones - 3 cartons, (200 sticks per carton) duty free.³⁷ - De minimis daily allowance is US\$110 or RM500 which is more than the allowance for duty-free cigarettes. In other words, individuals are able to order more tobacco products online through De minimis on a daily basis. Cigarette production: BATM stopped cigarette production in Malaysia in Selangor in 2017, cited high illicit trade as the reason, and then restarted production in 2018 (though illicit remained high) this time setting up its factory in Johor Bahru, in a special economic zone. This factory produces Benson and Hedges and Luckies for local consumption, and other brands for export. In 2023 BATM started production of a new brand of cigarettes for export. Tariffs As a member of the WTO, Malaysia is bound by the maximum (bound tariffs) that WTO Members can impose on other WTO Members. Malaysia bound tariff for all products, including tobacco, is set at 83.8%. There are more than 10 types of tobacco products listed with tariffs of 5% + RM100 per kg. Malaysia has most favoured nation (MFN) bound tariffs of RM270/kg for cigarettes. Part of MIDA (Malaysian Industrial Development Authority)’s policy is to increase investments for exports – Incentives for Investment [Book 3 Guide] for Malaysian manufacturer. Under this policy,						

³³ BAT Malaysia 2024 Annual report. Available at: <https://www.batmalaysia.com/ar/2024/wp-content/uploads/2025/03/BAT-Malaysia-AR2024.pdf> pg 43.

³⁴ Selangor Journal. MOH to issue warnings to premises noncompliant with tobacco display ban. 8 Apr 2025. Available at: <https://selangorjournal.my/2025/04/moh-to-issue-warnings-to-premises-noncompliant-with-tobacco-display-ban/>

³⁵ Budget 2024: New Chewing Tobacco Tax, Sugary Drinks Tax Raise. Codeblue. 13 Oct 2023 Available at: [Budget 2024: New Chewing Tobacco Tax, Sugary Drinks Tax Raise - CodeBlue](https://codeblue.galencentre.org/2023/05/customs-circular-doesnt-change-existing-taxation-on-cigarettes-sold-in-free-zones-deputy-minister/)

³⁶ Available at: <https://temptations.malaysiaairlines.com/DutyFreeAllowance.pdf>

³⁷ Available at: <https://codeblue.galencentre.org/2023/05/customs-circular-doesnt-change-existing-taxation-on-cigarettes-sold-in-free-zones-deputy-minister/>

	0	1	2	3	4	5
incentives are provided for the manufacturing sector – the incentives include tax incentives and duty exemptions on raw materials, components, machinery and equipment; tax exemption on the value of increasing exports; exemption of duties includes tobacco – over and above ATIGA. Import duties on cigarettes and tobacco leaves less than 5% under ATIGA (AFTA).						
INDICATOR 4: Forms of Unnecessary Interaction						
8. Top level government officials (such as President/ Prime Minister or Minister ³⁸) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)			2			
On 6 July 2023, the Ministry of Finance received a courtesy call from the American Malaysian Chamber of Commerce (AMCHAM) and issued a statement which said, “Both the MOF and AMCHAM agreed it was important to continue fostering a conducive business environment in Malaysia for both local and foreign entities as well as review current regulatory procedures and taxation to ease business operations. AMCHAM also emphasized the significance of regulatory coherence to aid ease of doing business.”³⁹ “I reiterated the MOF’s commitment to create a conducive business environment that enables companies to retain and grow their investments. ...These feedback will help the Government formulate an annual budget...” Philip Morris Malaysia is in the Board of Governance of AmCham.⁴⁰						
9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)					4	
A Government Multi-Agency Task Force (MATF), led by the Ministry of Finance, was set up in 2020 in Malaysia to curb illicit cigarette activities and bring stringent enforcement against illicit operators. The National and Kenaf and Tobacco Board (LKTN) is represented in the MATF, BAT is in the board of LKTN. In April 2022, EUROCHAM Malaysia attended the MATF Meeting on Illicit Trade in Tobacco & Alcohol held at the Ministry of Finance (MOF) following which EUROCHAM issued a statement welcoming “more engagements like these to collaborate with the relevant ministries and authorities to provide continuous support and enforcement of topics and subjects like these as well as creating awareness through an array of promotional and advocacy programs and campaigns.”⁴¹ JTI and PMI are members of EUROCHAM.⁴² The tobacco industry has funded studies on illicit trade which consistently show high levels and routinely calls for the government to collaborate with it. JTI stated, “Collaborations between the						

³⁸ Includes immediate members of the families of the high-level officials

³⁹ Deputy Minister of Finance II. Ministry of Finance Receives Courtesy Call by the American Malaysian Chamber of Commerce (AMCHAM). Ministry of Finance Malaysia. 10 Jul 2023 Available at: <https://dmedia.penerangan.gov.my/upload/km/10072023.1565254226.pdf>

⁴⁰ AmCham Board of Governors. Available at: <https://amcham.com.my/about-us/board-of-governors-2/>

⁴¹ EUROCHAM Malaysia. 26 April 2022. Available at: <https://www.eurocham.my/news?pagedetail=3225>

⁴² EUROCHAM Malaysia. Available at: <https://www.eurocham.my/members-directory/?pageno=9>

	0	1	2	3	4	5
government and industry players such as JTI Malaysia are crucial in identifying and combating the smuggling of illicit cigarettes and e-vapes in the country,” ⁴³ Malaysia has not ratified the Protocol on Illicit Trade in Tobacco Products.						
10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests . (Rec 3.1) <i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i>	0					
No report was found in the public domain.						
INDICATOR 5: Transparency						
11. The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)						5
The government does not publicly disclose meetings/ interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. For example, the government did not disclose the meeting[s] that were held with industry represented who lobbied for the postponement of the implementation of the pack display ban on 1 April 2025 and the subsequent government decision to postpone implementation.						
12. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)						5
There are no rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists does not exist.						
INDICATOR 6: Conflict of Interest						
13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11) / Never 5 Yes						5
The government continues to hold investment in tobacco companies: The Employees Provident Fund (EPF) is one of BAT's major shareholders, which has stated its intention to move towards ESG (environmental, social and governance) investments, has been paring down its stake in the group. The EPF, which previously announced that it would be gradually decreasing its stake in the group, now holds about 5% stake. Corporations are not required to declare their contributions to political parties, hence there is no official record of contributions, if any from tobacco companies to political parties.						
14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)				3		

⁴³ Focus Malaysia. JTI M'sia: "Gov't-industry tie-ups essential to combat smuggling of illicit ciggies, e-vapes". 17 Feb 2023. Available at: <https://focusmalaysia.my/jti-msia-govt-industry-tie-ups-essential-to-combat-smuggling-of-illicit-ciggies-e-vapes/>

	0	1	2	3	4	5
No newly retired government official joined the tobacco industry in the reporting period. The previous retiree still remains in his position as Chairman of BAT. The government does not have an exit policy that determines time frame before [retired] public officials join the private sector whose business is in conflict to the government's policy and obligation to reduce tobacco use.						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)		1				
There has been no record of current government officials and relatives holding position in tobacco business, officials of the National Kenaf and Tobacco Board are regarded as public officials.						
INDICATOR 7: Preventive Measures <i>SCORING for this section: 1. Yes, 2. Yes but partial only, 3. Policy/ Program being developed 4. Committed to develop such a policy/ program 5. None</i>						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)						5
There is no procedure for disclosing the records of any interaction with the tobacco/vape industry in place and there has been no progress in taking this issue forward.						
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2); <i>Yes – for whole of government code; Yes but partial if only MOH</i>					4	
In Malaysia 2023 report to the COP, the government reported “NA” under “progress made in implementing Article 5.3 in the past two years. Although the government reported, “Yes” they “utilized the Guidelines for implementation of Article 5.3 when developing or implementing policies, however no details were provided.” ⁴⁴ In Malaysia National Strategic Plan for Control of Tobacco and Smoking Products 2021 – 2023, industry interference has not been mentioned as a challenge but a “code of conduct” has been listed under “Tabling new policies under WHO FCTC Steering Committee” ⁴⁵ But the Code has not been finalised so far.						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other TAPS activities such as CSR or EPR (COP10), as well as on tobacco industry entities, affiliated organizations and individuals acting on their behalf, and tobacco industry funded groups and their research and marketing activities (Rec 5.2, 5.3, and COP9 and 10 Decision)						5
The government does not require the tobacco industry to submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. No movement in 2024 or 2025.						

⁴⁴ Available at: https://extranet.who.int/fctcapps/sites/default/files/2024-02/hmimpqrszbdw5sr_785818.pdf

⁴⁵ Available at: https://extranet.who.int/fctcapps/sites/default/files/2024-02/403_06102021-%28Final%29%20English-%20Pelan%20Strategik%20Kebangsaan%20English.pdf

	0	1	2	3	4	5
19. The government has a program / system/ plan to consistently ⁴⁶ raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)					4	
A number of government agencies are part of the FCTC Steering Committee coordinated by the Ministry of Health where issues of Art 5.3 are addressed. There is no information on Article 5.3 on the Ministry of Health's website.						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)				3		
The government has no specific policy to disallow the acceptance of contributions/ gifts from the tobacco industry. However, General Orders, and anti-corruption law exist and this should apply overall.						
TOTAL	77					

⁴⁶ For purposes of this question, "consistently" means: a. Each time the FCTC is discussed, 5.3 is explained. AND
b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.

Annex A

	TOP MULTINATIONAL TOBACCO GROUPS	MARKET SHARE %	BRANDS
1	British American Tobacco Malaysia	51	Dunhill, Peter Stuyvesant, Luckies, Rothmans
2	Japan Tobacco International Malaysia	25	Mevius, Winton, LD
3	Philip Morris Malaysia Sdn Bhd and Godfrey Phillips (Malaysia) Sdn. Bhd (GPM) GPM has been solely responsible for all PMI's domestic sales in Malaysia		Marlboro, L&M, Chesterfield, Sampoerna

Annex B

Tobacco industry and its allies opposed provision in the tobacco control bill

Tobacco companies	
British American Tobacco Malaysia	Analysis of Proposed 2023 GEG Bill in Malaysia from BAT, PMI and JTI 2Firsts, 11 Oct 2023 https://www.2firsts.com/news/analysis-of-the-proposed-2023-public-health-tobacco-control-act-in-malaysia
	'Big win' for Big Tobacco as GEG goes up in smoke; new law regulating vape products introduced The Edge Malaysia, 12 Dec 2023 https://theedgemalaysia.com/node/692675
Japan Tobacco International Malaysia	JTI Malaysia suggests government enact regulations for vaping products The Sun, 27 Feb 2024 https://thesun.my/malaysia-news/jti-malaysia-suggests-government-enact-regulations-for-vaping-products-LG12146591
Philip Morris International	First New Zealand, now Malaysia backtracks on pioneering tobacco ban Sydney Morning Herald, 30 Nov 2023 https://www.smh.com.au/world/asia/first-new-zealand-now-malaysia-backtracks-on-pioneering-tobacco-ban-20231130-p5eo0t.html
Industry allies	
Malaysian Singapore Coffeeshop Proprietors' General Association	Retailers Say Display Ban Of Cigarettes Will Worsen Illicit Trade Business Today, 5 April 2024 https://www.businesstoday.com.my/2024/04/05/retailers-say-display-ban-of-cigarettes-will-worsen-illicit-trade/
Datametrics Research and Information Sdn Bhd (DARE)	Malaysia's vape sector pleads for 'opportunity to breathe' as strict smoking laws loom South China Morning Post, 26 Sep 2024 https://www.scmp.com/week-asia/health-environment/article/3280023/malysias-vape-sector-pleads-opportunity-breathe-strict-smoking-laws-loom
Malaysian Vape Chamber of Commerce	Drastic vape regulations could 'kill' industry, say groups FreeMalaysiaToday 23 Jul 2024 https://www.freemalaysiatoday.com/category/nation/2024/07/23/drastic-vape-regulations-could-kill-industry-say-groups/
	Display ban throws industry a curve a ball TheEdge Malaysia, 5 Feb 2025 https://theedgemalaysia.com/node/742510
	VAPE CHAMBER: BAN WILL PUSH PRODUCTS INTO BLACK MARKET Rashvinjeet S Bedi CNA, 5 Feb 2025 https://www.channelnewsasia.com/asia/malaysia-ready-revisit-vape-ecigarette-ban-health-minister-4915751
Malaysia Retail Electronic Cigarette Association (MRECA)	Vape industry opposes Malaysia's drastic law on vape; fears retail display ban will destroy industry Focus Malaysia, 23 Sep 2024 https://focusmalaysia.my/vape-industry-opposes-malysias-drastic-law-on-vape-fears-retail-display-ban-will-destroy-industry/

Annex 3: New Cigarette Pack Design Promotions in 2024

The following are examples of how BAT relaunched its cigarette brands and conducted promotional campaigns. These promotions are reported in its 2024 Annual report in fluffy language.

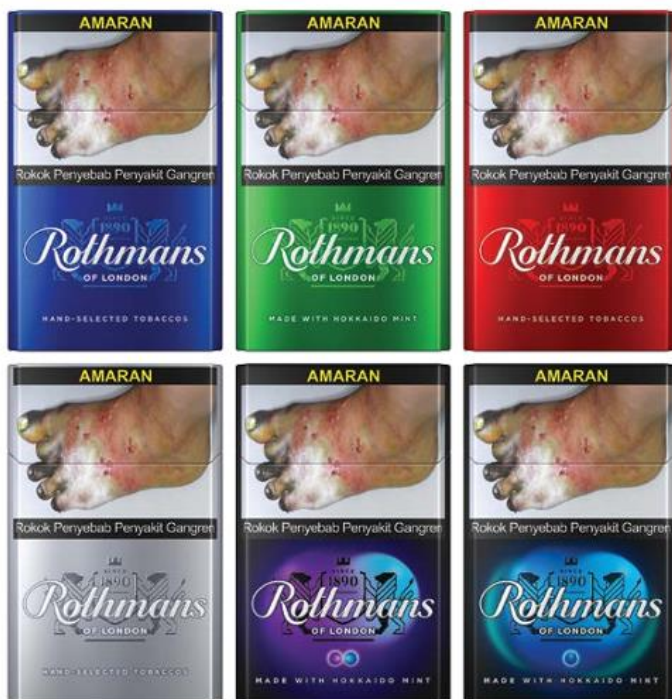
BAT conducted a “equity campaign” for the Dunhill brand. BAT launched Dunhill 60th Year Celebration with vibrant nationwide in-store branding.

DUNHILL

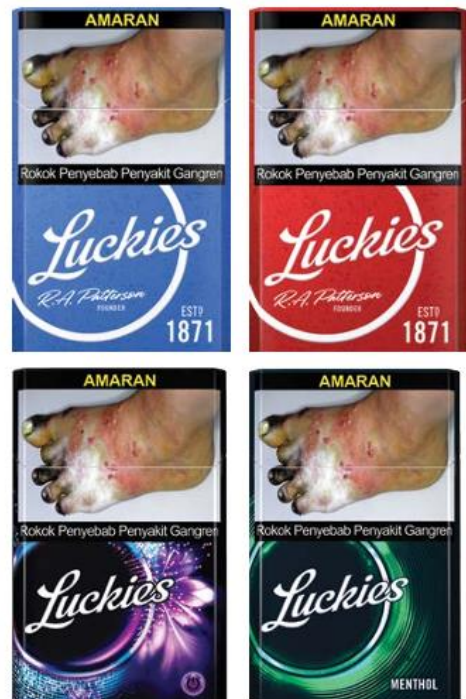


In Q3 2024, BAT introduced a pack upgrade for Rothmans and new packaging for Luckies (RM12.00) with an innovative tipping design. The promotions were held at point-of-sale

Rothmans



Luckies



Annex 4: Industry Allies Lobbying the Government on the Smoking Control Bill in 2023

The following are several impactful engagement sessions between pro-harm reduction front groups (MHSR, DARE, ACATA) and pro-vape groups (MEVTA, MRECA, MEBA, MVIA, PPVM, MVA and Coffee Shop Association) with the government to weaken the Smoking Products Control Bill for Public Health 2023.



22 Februari 2023



YB Tuan Steven Sim Chee Keong
Timbalan Menteri Kewangan
Aras 11, Kementerian Kewangan
No.5, Persiaran Perdana Precint 2
Pusat Pentadbiran Kerajaan Persekutuan
62592 Putrajaya

Yang Berhormat,

**CADANGAN PINDAAN KEPADA PERATURAN-PERATURAN KAWALAN HASIL
TEMBAKAU 2004 UNTUK MENGAWALSELIA INDUSTRI DAN PRODUK VAPE DI MALAYSIA**

Kami merujuk kepada perkara di atas.

Lanjutan dari perbincangan yang telah berlangsung di pejabat YB Timbalan Menteri Kewangan pada 31 Januari 2023, kami telah memanjangkan cadangan pindaan kepada Peraturan-Peraturan Kawalan Hasil Tembakau 2004 kepada pejabat YB Timbalan Menteri Kesihatan untuk mewujudkan suatu rangka kawalselia industri dan produk vape di Malaysia. Bersama-sama ini kami sertakan draf peraturan menteri yang telah kami hantarkan kepada pihak KKM sebagai Appendix A, B dan C untuk rujukan pihak tuan.

Kerajaan Malaysia ditaksirakan kerugian RM866 juta daripada kegagalan mengutip cukai eksais cecair vape pada keseluruhan tahun 2022, dan dihuaatiri akan mengalami kerugian yang lebih besar iaitu RM939 juta pada tahun 2023 selagi cukai eksais tersebut masih gagal dikutip; dan ketirisan ini sama sekali tidak membantu situasi kewangan negara.

Sebagaimana yang kami maklumkan, industri vape dan produk-produk vape yang kini meluas dijual di Malaysia tidak tertakluk kepada suatu kerangka kawalselia yang melindungi pengguna produk-produk vape daripada bahaya bahan ramuan cecair vape yang tidak sah serta memastikan aktiviti komersil dijalankan secara bertanggungjawab oleh semua pemain industri vape.

Kami memohon supaya peraturan-peraturan menteri untuk mengawalselia industri dan produk-produk vape diperbuat dengan kadar segera tanpa menunggu pembentangan rang undang-undang baharu di Parlimen. Dengan cara ini Kerajaan Malaysia dapat mengutip hasil cukai eksais cecair vape dengan segera, mengeluarkan industri vape negara daripada ekonomi gelap selain melindungi pengguna-pengguna produk tersebut.

Letter to YB Steven Sim App
ABC 22 February 2023

online.fliphtml5.com

<http://gg.gg/VAPELETTER>

2:34 PM ✓✓