

JOINT MEDIA STATEMENT

APPEAL TO INTRODUCE VAPE REGULATIONS

JTI'S SUGGESTION TO INCREASE VAPE TAXATION RATE NOT FEASIBLE

1. As a group of local vape associations representing industry players and vape users, we urge the government to introduce regulations for the vape industry, especially for the use of vape e-liquids with nicotine.
2. Currently, the vape industry is valued at RM2.27 billion, involving 3,300 businesses with a workforce of more than 15,000. There are more than one million vape users in Malaysia.
3. Together, we are of the opinion that regulations must be introduced due to the following reasons:
 - Regulations will provide the industry a clear direction, as it has with other countries that have regulated the vape industry. Additionally, it will help the growth of local Small and Medium Enterprises (SMEs) in the industry.
 - With clear regulations and directions, the vape industry has the potential to attract domestic and foreign investments as the local vape industry has a sizeable ecosystem comprising manufacturers, importers, distributors, retailers and users.
 - Additionally, it will create more employment opportunities, particularly in the manufacturing of vape devices and e-liquids as well as in the sale and distribution of the products in the market. This will positively contribute to the growth of the Malaysian economy, which is much needed in the current climate as the Covid-19 pandemic has significantly affected multiple industries and workers.
 - Regulations will also ensure users have access to regulated products that are safe. It will also help curb misuse of the product especially in ensuring there is no sale or use by minors.

DISAGREE WITH JTI'S SUGGESTIONS

4. We also do not agree with the statement made by Japan Tobacco International (JTI) as reported by the media recently. The proposal tabled by JTI to increase the taxation rate for vape to be equal to cigarettes is unwarranted.
5. JTI estimates that if the proposal is implemented, the government will be able to earn a tax revenue that surpasses the tax revenue contributed by the cigarette industry.
6. The excise tax rate introduced by the Government earlier this year for vape devices and non-nicotine e-liquids should not be increased. Instead, the taxation framework should be expanded to include vape e-liquids with nicotine. This should be accompanied by the introduction of regulations for all vape products including setting a standard for the contents in vape e-liquids.
7. In the past, the cigarette industry has revealed that an increase in excise tax results in smokers switching to illegal cigarettes. Based on this, JTI's proposal to increase the vape tax rate only contradicts its previous statements.

8. If the tax rate imposed on vape products are high, it will not only deter the efforts by smokers to switch to less harmful alternatives but will also encourage the smuggling of vape products to evade taxation.
9. Further, equating each milliliter of vape e-liquid with 20 sticks of cigarettes is illogical. These two products are not the same and they cannot be compared equally as suggested by JTI. Cigarettes are proven to be harmful to health while vape products have been proven to be less harmful than smoking and help smokers quit smoking.
10. What is important is that the direction of the industry should be discussed together, amongst the Government, industry players and users.
11. We urge the Government to organise a consultation session with us before coming to a decision on vape regulations and vape taxation.

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JOINT MEDIA STATEMENT BY A COALITION OF VAPE ORGANISATIONS/ASSOCIATIONS IN MALAYSIA:-

1. Ashraf Rozali, Head of Information, Malaysian Vape Chamber of Commerce (MVCC)
2. Rizani Zakaria, President, Malaysian Vape Industry Advocacy (MVIA)
3. Syamil Hanafiah, Deputy Secretary General, Persatuan E-Vaporizers dan Tembakau Alternatif Malaysia (MEVTA)