



NEWS RELEASE

73% Malaysians say tax on vape is too high

KUALA LUMPUR, 7 January 2022 – An opinion poll commissioned by **Malaysian Vape Industry Advocacy (MVIA)**, a non-profit advocacy group that supports local vape entrepreneurs and businesses, revealed that 73% of Malaysians believe the announced increase on excise tax rate for vape liquids at RM1.20 per milliliter is too high.

These revelations came from the **#Tax and Regulate MY Vape : Your Say** opinion poll that was conducted by Green Zebras, a leading market research company in Malaysia.

The opinion poll also revealed that Malaysians believe this high rate of taxation can lead to growth of black market growth (85%).

Almost all (91%) believe that the government should set a level of taxation on vape products that prevents consumers from switching to black market products, and 75% say that taxation must remain low to keep prices competitive.

Rizani Zakaria, President of Malaysian Vape Industry Advocacy said, “These findings reinforce views from the industry players that the tax rate for vape liquids is too high. This will cause prices of vape liquids to skyrocket. The Government needs to be mindful of the negative repercussions when it comes to formulating the tax policy as it will impact the local vape industry.”

“Given that Customs has recently announced postponement in implementing the newly announced excise rate, the results from this opinion poll is therefore timely. We hope it will provide an insight to the Government that a sensible approach needs to be taken when it comes to the taxation framework for the industry and we urge the Government to maintain the rate at RM0.40 per milliliter.”

The opinion poll also revealed that Malaysians are encouraged by the progress made by the vape industry, as the balanced taxation framework can generate additional revenue for the government and improve quality and safety standards of vape products. Those surveyed also say that the implementation of the taxation framework will see consumers able to access legal and regulated products.

“Clearly, we are moving in the right direction. Taxation and regulations for the industry is a step in the right direction. This is to ensure consumers purchase products that are regulated with product and safety standards. At the same time, it also needs to be balanced to ensure the products are not taxed and regulated the same way as cigarettes given vape products are proven to be less harmful and can help smokers to quit smoking,

“We also read that the Ministry of Health is looking to table new laws in Parliament soon to regulate vape products. To-date we have not had a proper consultation with the Government on the regulations and we urge the Government to involve us in discussions before making any decisions,” **Rizani** concluded.



With the objective of understanding Malaysian's perception on vaping, the **#Tax and Regulate MY Vape : Your Say** delved into the opinions of the local population on their thoughts on regulations and the recently announced tax rates on vape liquids. Additional findings from the survey will be released in the coming weeks.

This survey comprised of a sample size of 1,000 Malaysian adults and is reflective of the perception of all Malaysian adults nationwide.

About Green Zebras

Green Zebras is a unique boutique market research agency in Malaysia that offers insightful quantitative and qualitative market research solutions. The firm consists of a network of senior professionals drawn from big market research companies, big brands, and academia. Green Zebras offers an evolving assortment of traditional, alternative, and digitally driven market research solutions from all over the world.

About Malaysian Vape Industry Advocacy (MVIA)

MVIA is a non-profit advocacy group that supports Malaysian vape entrepreneurs and businesses. It aims to represent the Malaysian vape industry and provide a voice for the industry with government bodies, regulators, enforcement agencies and other interested parties.