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KUALA LUMPUR: Vape industry players want the government to review the 2022 Budget excise tax increase on vapes and electronic cigarettes that could raise the products' prices.

Malaysian Vape Industry Advocacy president Rizani Zakaria said the expansion of the excise tax on vapes and electronic cigarettes should be low for the products and no more than traditional nicotine items.

"We hope the government can consider reviewing the tax rate that has been set, because it is quite high.

"The increase in tax will make vape products more expensive than tobacco cigarettes in Malaysia.

"Along with economic and industrial developments, the tax rates implemented should be made with proportional risks of the product's benefits to the hardcore smoking community.

"A study published by Public Health England found that the effects of vape on health were 95 per cent less harmful than tobacco cigarettes. I

"In fact, vape has been shown to help smokers quit smoking,"

he said in a statement yesterday.

The tax rate set in the budget is RM1.20 for each millilitre of vape liquid and it is effective Jan 1, next year.

The current rate is RM0.40 per millilitre.

Rizani said the budget announcement by Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz was seen by industry players as a beacon of hope to local businesses which want to see the industry flourish at domestic and international levels.

"Imposing tax on nicotine-based vape products is the right move to ensure the development of the local vape industry. It also puts Malaysia on the right track in regulating the industry."

In the same statement, Malaysian Vape Chamber of Commerce president Syed Azaudin Syed Ahmad proposed that

the government review the excise tax rate with industry players before its implementation.

"This tax rate could impact local manufacturers in the vape industry, especially liquid-based vape products, as the (new) rate can push the price as high as RM72 for a 60ml bottle.

"The government should also consider coming up with an ecosystem to regulate and monitor the industry."

Syed Azaudin also said industry players welcomed dialogues with the government on tax implementation.

Earlier, professional health organisations, civil society groups and non-governmental organisations urged the government to ban vapes and electronic cigarettes instead of imposing the excise tax.

A joint statement by 43 organisations nationwide said the imposition of the excise tax on the nicotine-based product would

mean the government allowed the products to be sold in the country.

"Our frustration and protest is due to the government deciding to allow the sale of another form of addictive product that has proven to be harmful to the physical and mental health of the people.

"This decision goes against the World Health Organisation warning last year, that electronic cigarettes have been scientifically proven to affect users.

"What is sad is that the Asean countries have imposed a direct ban on them, but Malaysia is leading the production, sale and distribution in the Asean region.

"It's a shame because the products pose a health risk."

The statement added that the decision was not in line with the Special Muzakarah of the National Fatwa Council Committee for Islamic Religious Affairs in

2015, which deemed electronic cigarettes, including vape, *haram*.

"Studies have shown that those who smoke cigarettes or electronic cigarettes will face the risk of severe complications if infected with Covid-19."

The group also voiced opposition to the "Harm Reduction" agenda propagated by some parties, as the products remained a health hazard whether burned or heated.

"If the purpose of the government in allowing electronic cigarettes and vapes is to help smokers quit smoking cigarettes, why are they not registered through the National Pharmaceutical Regulatory Division?"

"This clearly proves that scientific studies on the effectiveness and safety of electronic cigarettes and vapes are still insufficient," it said. **By Teh Athira Yusof**



Rizani Zakaria



Syed Azaudin Syed Ahmad