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NATIONAL vape industry players say implementing excise duty on nicotine-containing vape products is a welcome move as it indicates a step of regulating the industry, but they hope for lower tax rate.

"The taxation also puts the country is on the right track in achieving the goal of regulating the entire vape industry," Malaysian Vape Industry Advocacy president Rizani Zakaria said.

However, along with the development of the economy as well as the industry, the tax rates implemented should be made with proportional risk that considers the rate of benefit of the product to hardcore smoker community.

"We hope the government can reconsider the tax rate that has been set because it is quite high. This is because vape has been shown to help smokers quit smoking and less harmful than tobacco cigarettes," he added.

"The tax rate imposed will make

vape products more expensive from tobacco cigarettes in Malaysia. Ideally, tax rates should be low so that prices of vape products do not exceed the price of cigarettes and become an incentive for smokers to quit smoking through vape," said Rizani.

Currently, the tax rate set through the Budget 2022 is RM1.20 per millilitre (ml) vape liquid from Jan 1, 2022, from the current rate of RM0.40 per ml.

Meanwhile, Malaysian Vape Chamber of Commerce president Syed Azaudin Syed Ahmad believes that this rate needs to be refined with the industry before it is implemented.

He added that the rate can have an impact on local manufacturers in the industry mainly the liquid vape product where the tax can reach RM72 per bottle of 60ml.

Apart from that, the government should also consider creating a rule and implements regulation to the entire industrial ecosystem.

"Regulatory rules should take into account that this product approach is less harmful and inappropriately controlled than cigarettes, allowing smokers to quit smoking through vaping while also ensuring the product meets safety and quality standards," said Syed Azaudin.

Industry players, he said, are open for consultation or discussions for drafting regulatory rules and tax implementation with full cooperation.

"We are ready to participate and give suggestions in drafting any rules as well as the implementation of taxation related to the domestic vape industry.

"We want Malaysia to continue is at the top as one of the leading manufacturers of vape products in the world," Syed Azaudin added.

He added that the announcement also opens up hope to industry players to see the industry thrive on domestic and globally. — by NURUL SUHAIDI



Pic by Muhd Amin Naharul

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