



## **NEWS RELEASE**

# **RETAIL VALUE OF MALAYSIAN VAPE INDUSTRY RISE TO RM3.48 BILLION**

**KUALA LUMPUR, 17 AUGUST 2023** – The Malaysian vape industry’s retail value has grown exponentially by approximately 53% from RM2.27 billion in 2019 to an estimated RM3.48 billion in 2023, revealed the Malaysian Vape Chamber of Commerce (MVCC) today as numbers of consumers have increased due to many more smokers switching to vape.

These findings are part of MVCC’s *The Malaysian Vape Industry Study 2023*, which revealed the Malaysian vape industry is fast becoming the gamechanger to disrupt cigarette smoking as 31% of Malaysian smokers have switched completely to vape while 69% of smokers are also vaping with as much as half of them using vape to completely quit smoking.

The report also saw the sector’s contribution to the economy increased significantly as number of workforce employed in relation to the vape industry.

**Ridhwan Rosli, Secretary-General of MVCC**, said, “Our study clearly shows that the vape industry has continued to grow from strength to strength. Apart from contributing significantly to the country’s economy and helping smokers to quit cigarette smoking, it has also facilitated the growth of local entrepreneurs and created multiple job opportunities throughout the entire supply chain, directly and indirectly.”

“We are encouraged by the Government’s commitment to regulate the vape industry through the introduction of a taxation framework and the tabling of the Control of Smoking Product for Public Health Bill 2023 (Bill). However, the Generational End Game (GEG) policy, which forms part of the Bill concerns MVCC.”

“The primary concern lies in the potential adverse economic impact it may have on the sector. The vape industry is experiencing significant growth, with many Bumiputera entrepreneurs finding opportunities and livelihoods within this market. Implementing the GEG policy could stifle this growth, leading to job losses and affecting the livelihoods of many, especially those in the Bumiputera community.”

“It is also sending the wrong message to cigarette smokers by placing vape in the same category as cigarettes, which will deter many to switch to vape for cigarette smoking cessation.”

Data for the *The Malaysian Vape Industry Study 2023* was garnered through two studies: one through direct engagement with industry players, and an online consumer survey. The findings from the industry study show that the number of vape businesses has evolved over the past few years. Currently, approximately 7,500 general retail shops sell vape products and 2,500 retail shops. The workforce has increased from 15,000 to 31,500 in 2022.

Key findings from the consumer study include:

- The number of vape users using the open system and closed has decreased from 77% and 23% in 2019 to 50% and 18% in 2023, while the disposable system has quickly gained a market share of 32%.



- The total average spent on open/closed system is estimated at RM2.56 billion annually while the spent on disposable products is estimated at RM925 million annually.
- 34% of vape users prefer nicotine-only e-liquid, while 28% prefer non-nicotine e-liquid. Approximately 38% use both
- The strength of nicotine per millilitre (ml) used in e-liquid shows up to 95% uses up to 40mg per ml
- The reason users chose to vape is because it is less harmful compared to cigarettes (45%), helps quit smoking (45%) and is cheaper than smoking cigarettes (36%).

Ridhwan also added that Malaysia is well-known internationally for its strength in manufacturing high-quality vape products, particularly e-liquids.

“This puts us in a strong position to attract quality foreign direct investments into the country, thus strengthening the vape business ecosystem.”

“The aim of *The Malaysian Vape Industry Study 2023* is to provide the Government with the latest industry data to take into account while drafting laws for the industry,” Ridhwan Rosli concluded.

To download the full report, visit the MVCC’s [website](#) or [Facebook](#) page.

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#### **About the Malaysian Vape Chamber of Commerce**

Established in 2015, the Malaysian Vape Chamber of Commerce (MVCC) is the one and only society related to vape registered with the Registrar of Societies under Malaysia’s Ministry of Home Affairs. Our priority is to help make the vape industry in Malaysia be more competitive and structured as a whole. With the help of our dedicated members, we have organised awareness campaigns, community-building events, in-depth training and engagement sessions with government agencies.

For more information, please visit our website at <https://www.dpvmalaysia.com/> or our Facebook page at <https://www.facebook.com/DewanPerniagaanVapeMalaysia>.

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