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## **High vape taxes only benefits tobacco companies**

**KUALA LUMPUR, 23 SEPTEMBER 2021** – The Malaysian Vape Chamber of Commerce (MVCC) today shared its disagreement with the proposal of JTI, a tobacco company, in recommending that the government impose a high tax rate for vape, equivalent to tobacco.

**Ashraf Rozali, Head of Information, Malaysian Vape Chamber of Commerce (MVCC)** said that the proposal would only benefit tobacco companies and hamper the vape industry's efforts to encourage smokers to switch to less harmful alternatives.

"Imposing high taxes and equating vape with cigarettes is not a wise move as it will result in the high price of vape products, making them much more expensive than traditional cigarettes. Currently, each unit of vape product is sold between RM12-RM20, and this does not include vape devices which are priced much higher. A pack of cigarettes is between RM12-RM17."

"If the tax is raised for vape products, it will prevent smokers from switching to vape products that have been proven to be less harmful than traditional cigarettes. Their proposal is only for their own benefit."

Ashraf Rozali also said that over the years, the tobacco industry has shown that high taxes will lead to the issue of smuggling to avoid taxes.

"The incidence of illegal cigarettes due to excessive taxes is something that is always mentioned in the tobacco industry. It has become a global issue as the high taxes has made Malaysia the no.1 country with the highest rate of illegal cigarettes. If vape taxes are raised on par with tobacco tax, then the local vape industry will only suffer the same fate as the tobacco industry."

### **DIFFERENTIATED REGULATIONS NEEDED FOR TOBACCO AND VAPE**

He also added that the most important point now is with regulations, which need to be introduced for the vape industry. Further, these regulations must be differentiated from tobacco as vape is a less harmful product.

"The vape industry has long championed the need for regulations to be introduced especially for the use of nicotine e-liquids as well as to ensure quality and safety standards for vape products. These regulations are necessary to allow the vape industry to grow and allow smokers to switch to vape."

"Vape is a less harmful alternative compared to traditional cigarettes. International studies have proven this fact and there are many countries such as the UK and New Zealand that have taken such an approach to advise smokers to switch to vape products."



“In fact, vape regulations in these countries differentiate between vape and traditional cigarettes, by allowing vape to be promoted and advertised as a method that can help people quit smoking,” he said.

“We hope that in the tabling of the 2022 Budget next month, the Government will introduce rules and taxation frameworks for the vape industry that are different from the tobacco industry. The vape industry is ready to support the government and requests that the industry be involved in any consultation sessions on the regulations for vape.”

***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.*

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