



NEWS RELEASE

REVIEW HIGH VAPE TAX RATES AND INTRODUCE DIFFERENTIATED REGULATIONS FROM TOBACCO CIGARETTES

KUALA LUMPUR, 16 December 2021 – The entire vape ecosystem including manufacturers, retailers and end-users should play a part in determining the direction of the industry, so it can transform into a competitive industry that contributes to the nation's economy.

Ashraf Rozali, Head of Information for the Malaysian Vape Chamber of Commerce (MVCC) said, industry players and vape non-governmental organisations (NGO) have long championed the development of the industry by advocating for taxation and a regulatory framework that is differentiated from tobacco.

"It is time for the members of the industry, including manufacturers and consumers, to show their support and participate in our efforts to advocate for the vape industry, especially in initiatives that support taxation and regulations."

"We know that many individuals are hesitant about voicing their support for the industry, but we must acknowledge the impact of this industry which comprises thousands of Bumiputera entrepreneurs and generates millions of Ringgit a year. It is time for us to come forward and not hide behind the scenes."

Recently, the government has announced that the tax on vape products will be increased by 200% and will be implemented at a price of RM1.20 per milliliter (ml) for nicotine e-liquids and non-nicotine e-liquids.

Most industry players, especially manufacturers, feel that the taxation rate is too high and will negatively impact the industry, which in turn will cause the price of products to increase in the market.

"Manufacturers have no choice but to increase the price of their products as the tax rate imposed is equivalent to the current retail price of vape products. For example, each 30ml bottle of e-liquid will be taxed at RM36. With this rate, the estimated retail price of vape e-liquids will reach twice the current price per 30ml bottle.

"Therefore, the new tax rate will not only affect one party but will impact the entire ecosystem, including adding burden on consumers," he added.



At the same time, the Government has also announced recently that a regulatory framework for tobacco and vape will be tabled next year. While the industry supports measures to regulate the vape industry, it should be differentiated from tobacco.

“Vape products are not tobacco, and they should not be equated. Regulations for vape products should not be the same as for tobacco products. If regulations for both products are the same, it will only continue to benefit the tobacco companies and incentivise smokers to switch to vape.”

"Vape products should be recognised as a tool that can help smokers quit smoking and any regulations introduced must include elements that can encourage smokers to switch, and use vape which is also proven to be less harmful than tobacco," said Ashraf.

As such, Ashraf has called on the public to support the industry and sign a petition for the government to review the taxation rate for vape so that it takes into account the interests of the local industry. Further, the petition calls for the introduction of vape regulations that are differentiated from tobacco.

The petition can be signed at www.mvia.com.my

END

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://vapemalaysia.org/> or our Facebook page at <https://www.facebook.com/DewanPerniagaanVapeMalaysia>.