



NEWS RELEASE

VAPE INDUSTRY GROWS TO RM2.49 BILLION

Government poised to collect RM1 billion excise tax revenue from the Malaysian vape industry

KUALA LUMPUR, 20 February 2023 – The Malaysian Vape Chamber of Commerce (MVCC) today unveiled new preliminary industry data for the vape industry, confirming that the sector industry has grown and fast becoming a valuable economic contributor to the country.

The latest 2022 data is an update to its inaugural report conducted back in 2019 which valued the industry at RM2.27 billion then. At present, the industry has grown its retail value by 9.6% to RM2.49 billion.

However, compared to 2019, the number of vape specialty stores has declined, from 3,000 to 2,250 likely due to the pandemic over the past few years which forced many vape outlets to fold. At the same time, the findings also indicate that the industry has expanded its sales channels with vape products now also made available in general stores. According to MVCC findings, there are some 7,500 general retail stores that have also started trading vape products.

Based on MVCC's latest estimation, the number of manufacturers stands at 200 while the number of importers has increased to 100. In this regard, MVCC estimate that the vape industry now provides direct and indirect employment to 31,500 workers involved in the vape industry.

Ridhwan Rosli, Secretary General of MVCC said, "These findings are clear indication of the strong potential and resilience of the industry despite the pandemic adverse effects. Beyond creating more employment opportunities for many Malaysians, the vape industry has also evolved to strengthen its SMEs ecosystem as well as attracting more investments.

The industry is also poised to contribute significant revenue for the country, with economic analysts estimating that the Government could collect up to RM1 billion excise tax revenue from the industry once regulations kicks in as well as sending confidence to investors to pour more domestic and foreign investments."

"We also estimate that the number of vape consumers in Malaysia have increased to between 1.4 to 1.5 million users as preliminary data show sales volume of vape products in the market has increased. This further adds to the urgency of regulations, to ensure Malaysian vape consumers have access to products that are regulated with quality and safety standards."



These findings are part of a comprehensive industry report undertaken by MVCC. Full data will be published in the coming months which will also cover retail trends and consumer habits.

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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.

Issued on behalf of: **The Malaysian Vape Chamber of Commerce**

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