



Persatuan Pengguna Pulau Pinang Consumers Association of Penang

檳城消費人協會 பினாங்கு பயனீட்டாளர் சங்கம்

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Press statement

4 November 2020

Reducing taxation is a bane, not a 'cure' for illicit cigarettes

Do we legitimise party drugs and make them affordable to prevent or reduce its illegal use? If it is a preposterous idea then nicotine addiction (commonly in the form of smoking) should be addressed with tough tobacco control measures.

Tobacco industry is harping on the point that about 60 per cent of the cigarettes smoked by the estimated 5 million smokers are smuggled cigarettes. It was reported that the Malaysian Customs Department managed to stop the attempted smuggling of 456.03 million sticks of cigarettes between January and June 2020 which is almost double that of the same period last year.

The Consumers' Association of Penang (CAP) urges the government not to kowtow to the sob story that the industry is generating for many reasons. One of which is that the government should accept the fact that reducing cigarettes taxation may lead to the lowering of cigarette prices by the industry but it is not likely going to stop cigarette smuggling because of the lucrative demand.

Lowering cigarette prices will encourage more people to smoke and there is no certainty that it is going to ensure that smokers will switch from smuggled cigarettes. The sole objective is to deter people from smoking.

More importantly, any move to backtrack on tobacco control measures will dismantle the efforts introduced since 1970s, around the time when the addictive properties of nicotine in tobacco was better understood. Any deviation or U-turns in Malaysia's current tobacco control efforts will turn us into outcasts in the eyes of the WHO FCTC fraternity which is steadily progressing, including our Asean neighbour Myanmar which recently responded positively to tobacco control in recent years.

In 2018, the Malaysian Health Ministry revealed that the government is expected to spend RM7.4 billion in treatment cost for major illnesses caused by smoking, such as lung cancer and coronary heart problems by 2025. Smoking 'legal' or 'illegal' cigarettes is not an issue because, primarily, smoking is all about nicotine addiction and smoking-related diseases.

We propose that all cigarette retailers should be licensed and unlicensed ones will face a mandatory jail sentence and/or fine. By doing so, the government is able to control the number of retailers as well as their location.

Those involved in smuggling should also receive mandatory jail sentence and their property seized. Confiscated contraband should be destroyed and publicised. The government has to beef up the agencies involved and include the participation of the Malaysian Anti-Corruption Commission (MACC). Smuggling will be drastically reduced if the risks are high and no longer lucrative.

We reiterate our stand that the government should increase the tax on cigarettes and use it to improve the anti-smuggling and health promotion efforts. It is time for the government to improve on their World Health Organization Framework Convention on Tobacco Control (WHO FCTC) commitment instead of bowing to the industry with vested interests.

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