SERI SOCIAL & ECONOMIC RESEARCH INITIATIVE

■ NATIONAL SURVEY

MALAYSIAN PUBLIC SUPPORT FOR TOBACCO TAX INCREASES

INSIGHTS TO INFORM POLICY ON SMOKING REDUCTION AND REVENUE GENERATION

August 2025

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SECTION 01
BACKGROUND

CONTEXT ON TOBACCO TAXES IN MALAYSIA

- Cigarette smoking remains the most prevalent form of tobacco use in Malaysia, still surpassing e-cigarettes and vape¹. Recent attention has focused on banning vapes², and plans to do so are underway.
- Promisingly, the Prime Minister recently announced plans for pro-health taxes on tobacco, vape and alcohol – as part of the 13th Malaysia Plan³. A meaningful tax increase on cigarettes is more timely than ever.
- Cigarettes have become **increasingly affordable** since 2016, undermining public health efforts⁴. GDP per capita and general prices have increased while cigarette prices (and taxes) have remained unchanged.
- Evidence shows **price hikes are not a key driver of illicit trade**; rather, it is weak enforcement⁵. Malaysia has made significant improvements in enforcement, notably via the new Malaysian Border Control and Protection Agency (AKPS)⁶.



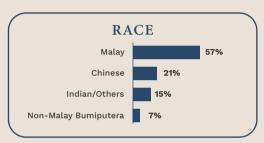
SURVEY METHODOLOGY

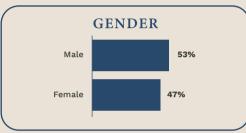
- The survey aims to determine public opinion on increasing tobacco taxation, and gain insights on the impact of tobacco taxes on reducing smoking rates and raising government revenue.
- The survey was conducted through Vase.ai. Data was collected between 18-28 July 2025 with a Malaysian **sample of 1,051** adults aged 18+.
- The sample aimed to be **representative of the Malaysian population.** Quotas for specific subgroups were set to better approximate the Malaysian population according to age, race, gender, and state based on the Malaysian Census.
- The Cost Recovery and Revenue Estimator (CoRRE) by the Tobacco Atlas was used to estimate the impact of the tobacco tax increase on revenue and the smoking population.

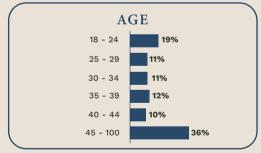


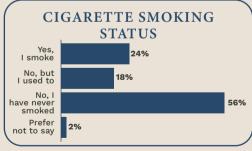
NSIGHTS TO INFORM POLICY ON SMOKING REDUCTION AND REVENUE GENERATION

RESPONDENT PROFILE











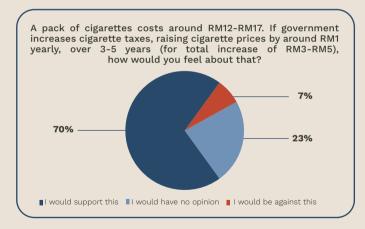
SECTION 02 FINDINGS

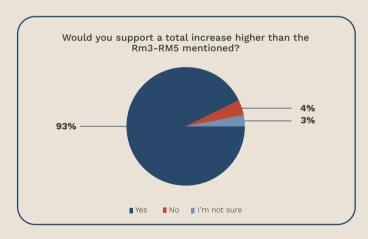
2.1
THERE IS OVERWHELMING
PUBLIC SUPPORT AMONG
MALAYSIANS FOR INCREASING
TOBACCO TAXES.

INSIGHTS TO INFORM POLICY ON SMOKING REDUCTION AND REVENUE GENERATION

FINDINGS 01 =

- An overwhelming 70% of Malaysians would support increasing cigarette taxes by RM3-5 per pack (vs just 7% against).
- Additionally, of this 70%, almost all (93% vs just 4%) would support an increase even higher than RM5 per pack.



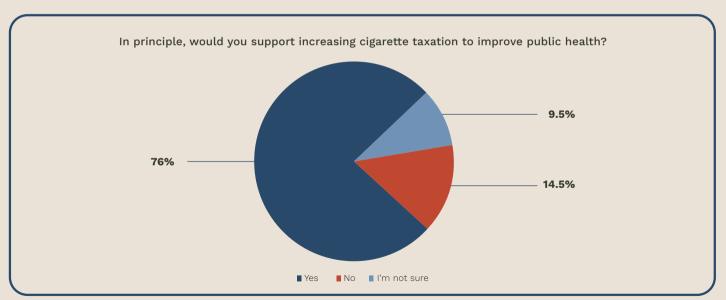


All Respondents

Chart reflects responses from the 70% who supported s RM3-5/pack increase

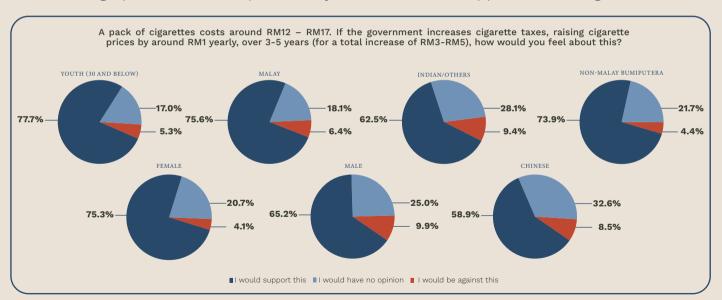
FINDINGS 01

There is also strong general support for increasing cigarette taxation to improve public health (regardless of specific RM increase).



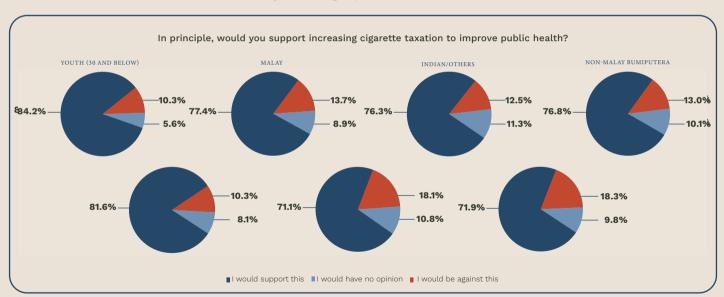
FINDINGS $02 \equiv$

The overwhelming support for increasing cigarette taxes by RM3-5 holds across key demographics. Youth are particularly in favour (77.7% support vs 5.3% against).



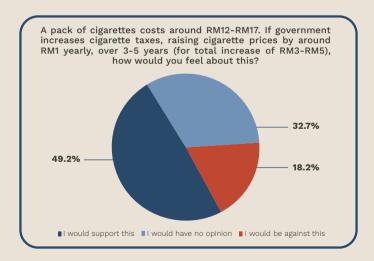
FINDINGS $02 \equiv$

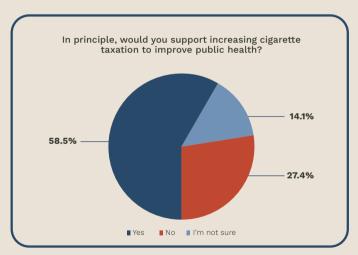
The overwhelming support for increasing cigarette taxes in principle to improve public health – also holds across key demographics.



FINDINGS $03 \equiv$

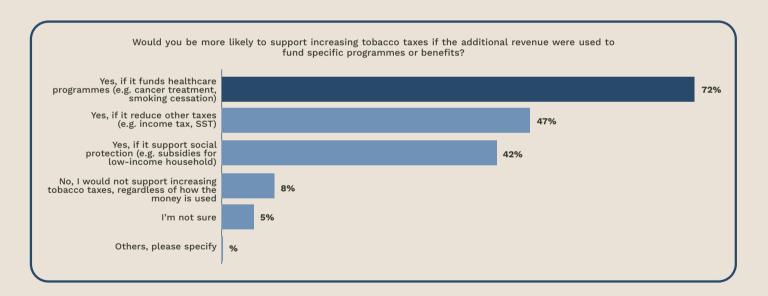
A majority of smokers themselves support increasing cigarette taxation. 49% support increasing cigarette taxes by RM3-5/pack, and 58.5% support increasing cigarette taxation in general to improve public health.





FINDINGS 04 =

Public support for tobacco taxes would be even higher – if it extra revenue were used to fund healthcare programmes (e.g. cancer treatment, smoking cessation).

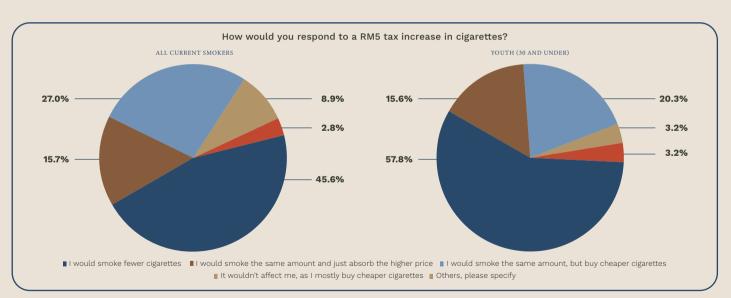


2.2
INCREASING CIGARETTE
TAXES WILL IMPROVE
PUBLIC HEALTH.

INSIGHTS TO INFORM POLICY ON SMOKING REDUCTION AND REVENUE GENERATION

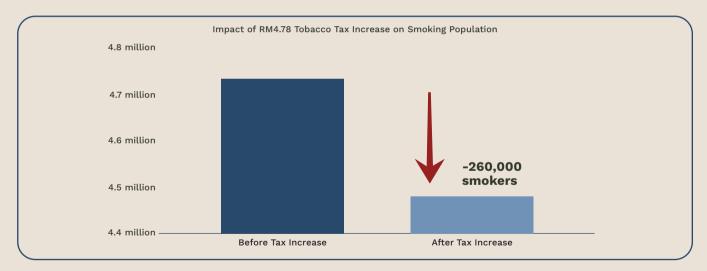
FINDINGS 05

Increasing cigarette taxation will improve public health. Almost half of respondents (and a majority of youth) say they will smoke less if cigarette taxes increased by RM5.



FINDINGS 05

• The Tobacco Atlas Correct model estimates that a tax increase of around RM5 (RM4.78) will reduce smoking prevalence in Malaysia from 18.2% to 17.2% – that is 260,000 people will stop smoking completely (and more will smoke less).

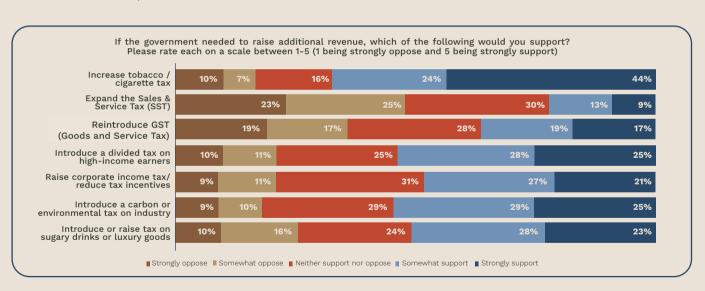


*RM4.78 used (instead of RM5) to be consistent with the Tobacco Atlas CoRRE model parameters.

2.3 INCREASING CIGARETTE TAX IS THE MOST POPULAR OPTION TO RAISE REVENUE (VS SST, DIVIDEND TAX, CORPORATE TAX, ETC) - AND COULD HELP THE GOVERNMENT RAISE AN **ADDITIONAL RM1.2 BILLION** PER YEAR.

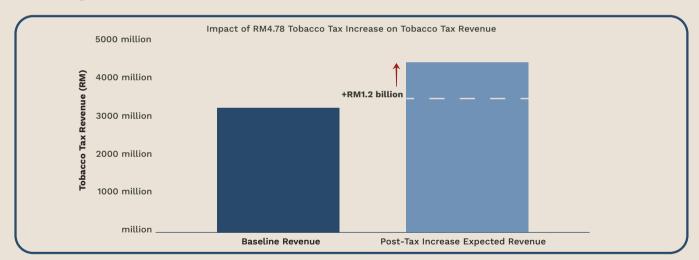
FINDINGS 06 =

• Increasing cigarette tax is the most popular option for raising revenue – vs SST, GST, dividend tax, corporate tax, and other alternatives.



FINDINGS 06

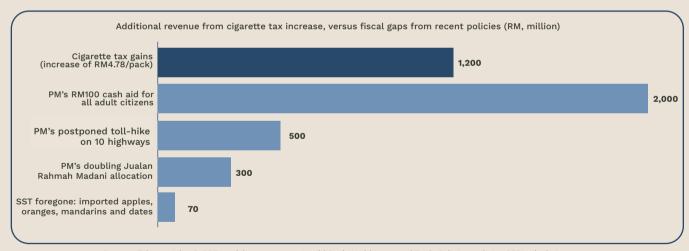
 Increasing cigarette tax by around RM5 (RM 4.78) will increase revenue by RM1.2 billion, according to the Tobacco Atlas CoRRE model.



RM4.78 used (instead of RM5) to be consistent with the Tobacco Atlas CoRRE model parameters. SERI also estimated a "pessimistic/conservative scenario" based on our survey findings (we assume that half of the respondents who said they would switch to "cheaper" cigarettes if an RM5 tax is introduced are removed from the tax base),

FINDINGS 07

• Revenue gains from an RM5 cigarette tax increase could help plug the fiscal gaps emerging from recent policies.



Sources: Tobacco Atlas CoRRE model, news reports, World Bank World Integrated Trade Solution website, SERI calculations.

SECTION 03 POLICY RECOMMENDATIONS

POLICY RECOMMENDATIONS

- Prioritise a meaningful increase in tobacco taxation, with a minimum of RM5 per pack.
- This increase should be followed by regular tax increases, with the best practice factoring in inflation and changes in household income to ensure tobacco products are less affordable over time to reduce smoking prevalence7.
- Allocate a portion of the revenue gained for public health programmes and social protection.
- Continue strengthening enforcement to further reduce the illicit trade of cigarettes.

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