

PRESS STATEMENT

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For Immediate Release

SERI Applauds the Madani Government for Listening to Evidence: Tobacco Tax Hike Marks a Turning Point in Public Health Policy

KUALA LUMPUR, 11 October 2025 – Social and Economic Research Initiative (SERI) welcomes the tabling of Budget 2026 by Prime Minister Dato' Seri Anwar Ibrahim, and commends the Madani Government for taking a significant first step toward stronger public health policy through the long-awaited increase in tobacco taxation.

As a leading advocate for evidence-based healthcare reform, SERI has consistently called for higher tobacco taxes as one of the most effective measures to reduce smoking rates and improve public health outcomes. The 2 sen per cigarette stick (or 40 sen per pack) increase which is Malaysia's first tobacco tax hike in a decade reflects the government's willingness to act on available data, research, and public sentiment.

This policy shift aligns closely with SERI's findings and advocacy. In its policy brief, "*Strengthening Malaysia's Tobacco Control Through Tax Reform*," SERI highlighted that restoring affordability to 2016 levels would require a RM5 per pack increase, as cigarettes have become more affordable relative to income and inflation. Public support is also clear with SERI's 2025 study, "*Malaysian Public Support for Tobacco Tax Increases*," found that 70% of Malaysians, including 58% of smokers, support a tax hike of RM3–5 per pack and demonstrating broad national backing for stronger tobacco control.

According to Dr Helmy Haja Mydin, Chairman of SERI, "For a decade, the rate has remained stagnant even as we faced rising healthcare costs, growing youth vaping rates, and the ongoing burden of tobacco-related disease. SERI has consistently advocated for evidence-based fiscal measures that save lives while strengthening our economy. This achievement is the result of collaboration, persistence, and leadership."

SERI commends the government for heeding research and public support, marking a new chapter in Malaysia's commitment to protecting the health of its people. This decision represents more than just a fiscal adjustment and it reflects a recognition that health policy must be grounded in evidence, compassion, and long-term vision. By taking this step, the government has signalled that it values the lives and wellbeing of Malaysians above short-term political convenience or industry pressure.

According to Rashaad Ali, Managing Director of SERI, "This is a step in the right direction as the country continues to wrestle with nicotine-related public health concerns. We look forward to further positive developments and hope this becomes an annual occurrence."

According to Daniel Kittu, Senior Researcher at SERI, "While the additional 2 sen per cigarette stick is far from what we initially hoped, it's still noteworthy, given that it is the first

increase in tobacco taxes in ten years. There is also a tax increase for heated tobacco products, along with tax exemptions for some nicotine replacement therapy products, which will help smokers to quit smoking.”

SERI also believes that sustained collaboration between government and civil society is essential to ensure that future public health measures including tobacco control, preventive care, and health financing reforms which are implemented effectively and equitably. The organisation remains deeply committed to supporting these efforts through continuous research, advocacy, and dialogue aimed at building a healthier, fairer Malaysia for all.

SERI will continue to engage with stakeholders and contribute research-driven insights to ensure that Malaysia’s public health policies remain equitable, effective, and sustainable.

SERI is a non-partisan think-tank dedicated to the promotion of evidence-based policies that address issues of inequality. For more information, please visit www.seri.my or email us at hello@seri.my.