



Illicit Cigarettes Study (ICS) In Malaysia, 2021 Report

Report Commissioned by CMTM member companies



Table of contents

Illegal Cigarettes Criteria for Verification **3**

Illegal Cigarettes Incidence at National Level **4**

Top 10 Illegal Cigarettes Brands National Level **5**

Tax Stamp Breakdown of Illegal Cigarettes **6**

Fake Tax Stamp Breakdown by Manufacturers / Importers **7-8**

Illegal Cigarettes Incidence by States **9**

Top 10 Illegal Cigarettes Brands State Level **10-23**

Illegal Cigarettes Criteria For Verification

Packs with at least one (1) of the following features:

1. Absence of Registered Importers
2. Unregistered Importers*
3. Absence of Registered Manufacturers
4. Unregistered Manufacturers*
5. Packs with counterfeit (fake) Malaysian tax stamp**
6. Packs without Malaysian tax stamp
7. Packs with non-Malaysian tax stamp
8. Unregistered Brand*
9. Non Compliance to Ministry of Health's Control of Tobacco Product Regulations (CTPR) 2004
 - I. Absence or Non Compliance of Pictorial Health Warning Requirements
 - II. Pack Size other than 20 sticks
 - III. Absence or Non Compliance of mandated labeling requirements

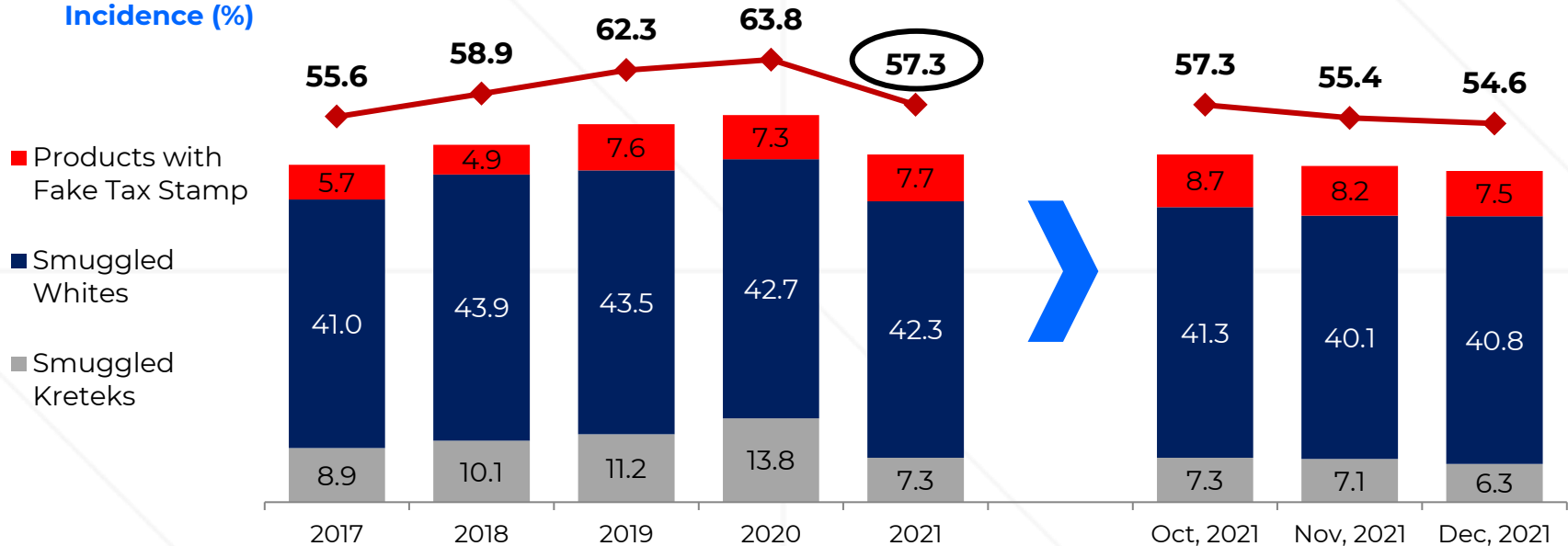
* Not registered with the Royal Malaysian Customs

** Verified by Lembah Sari Sdn Bhd (LSSB) – Government appointed sole vendor for tax stamp

Illegal Cigarettes Incidence At National Level :

Overall decrease by 6.5 ppt. vs. 2020

Incidence (%)



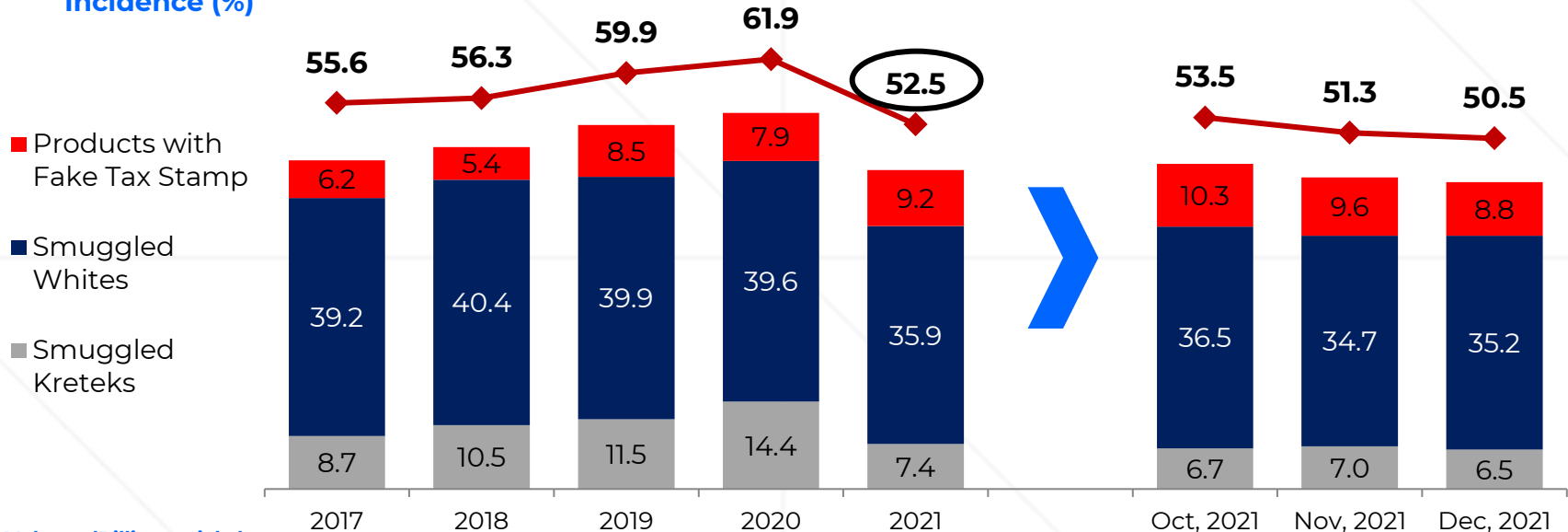
Volume (Billions sticks)

	2017	2018	2019	2020	2021	Oct, 2021	Nov, 2021	Dec, 2021
Illegal Cigarettes	11.1	12.0	12.2	11.7	9.1	0.7	0.7	0.8
Estimated Total industry	20.0	20.4	19.5	18.4	16.0	1.3	1.3	1.5
Incidence	55.6%	58.9%	62.3%	63.8%	57.3%	57.3%	55.4%	54.6%

Illegal Cigarettes Incidence In Pen. Malaysia :

Overall decrease by 9.4 ppt. vs. 2020

Incidence (%)



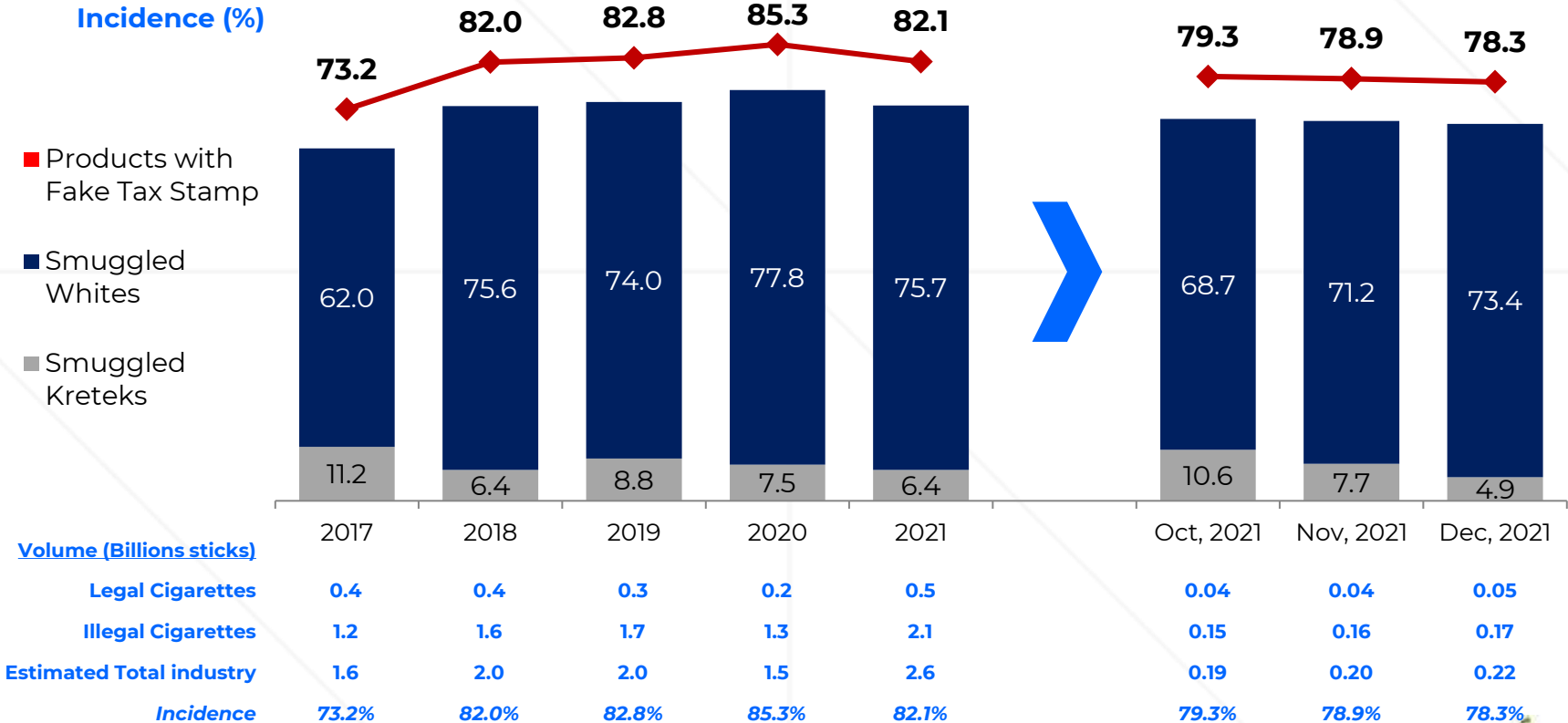
Volume (Billions sticks)

	2017	2018	2019	2020	2021	Oct, 2021	Nov, 2021	Dec, 2021
Legal Cigarettes	8.5	8.0	7.0	6.5	6.4	0.51	0.55	0.61
Illegal Cigarettes	9.9	10.4	10.5	10.4	7.0	0.59	0.57	0.63
Estimated Total industry	18.4	18.4	17.5	16.9	13.4	1.10	1.12	1.24
Incidence	54.1%	56.3%	59.9%	61.9%	52.5%	53.5%	51.3%	50.5%



Illegal Cigarettes Incidence In East Malaysia :

Overall decrease by 3.2 ppt. vs. 2020



Top 10 Illegal Cigarettes Brands*

They account for approximately 79% of illegal cigarettes volume

		2021	2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	John	11.9	13.9	14.2
2.	Era	8.4	3.7	4.4
3.	U2	5.3	9.0	5.3
4.	Canyon	4.2	4.7	4.5
5.	Saat	4.0	4.0	4.9
6.	Gudang Garam	4.0	6.4	6.0
7.	LA	2.2	4.8	3.6
8.	Luffman	1.9	2.3	1.3
9.	Misto	1.6	0.7	0.0**
10.	Parkway	1.6	0.5	0.6
Top 10 Total		45.1	50.0	44.8

Other Illegal	12.2	13.8	17.5
Total Illegal %	57.3	63.8	62.3

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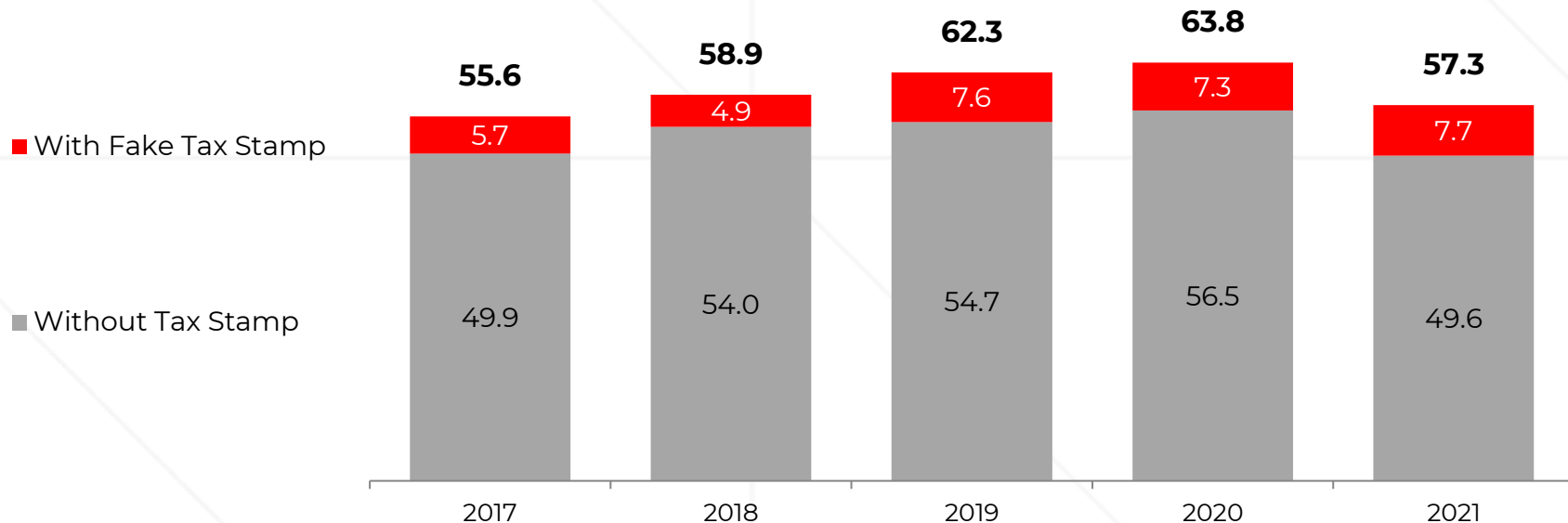


* relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise
0%** Incidence is less than 0.5%; figure is too small to feature.

Tax Stamp Breakdown Of Illegal Cigarettes :

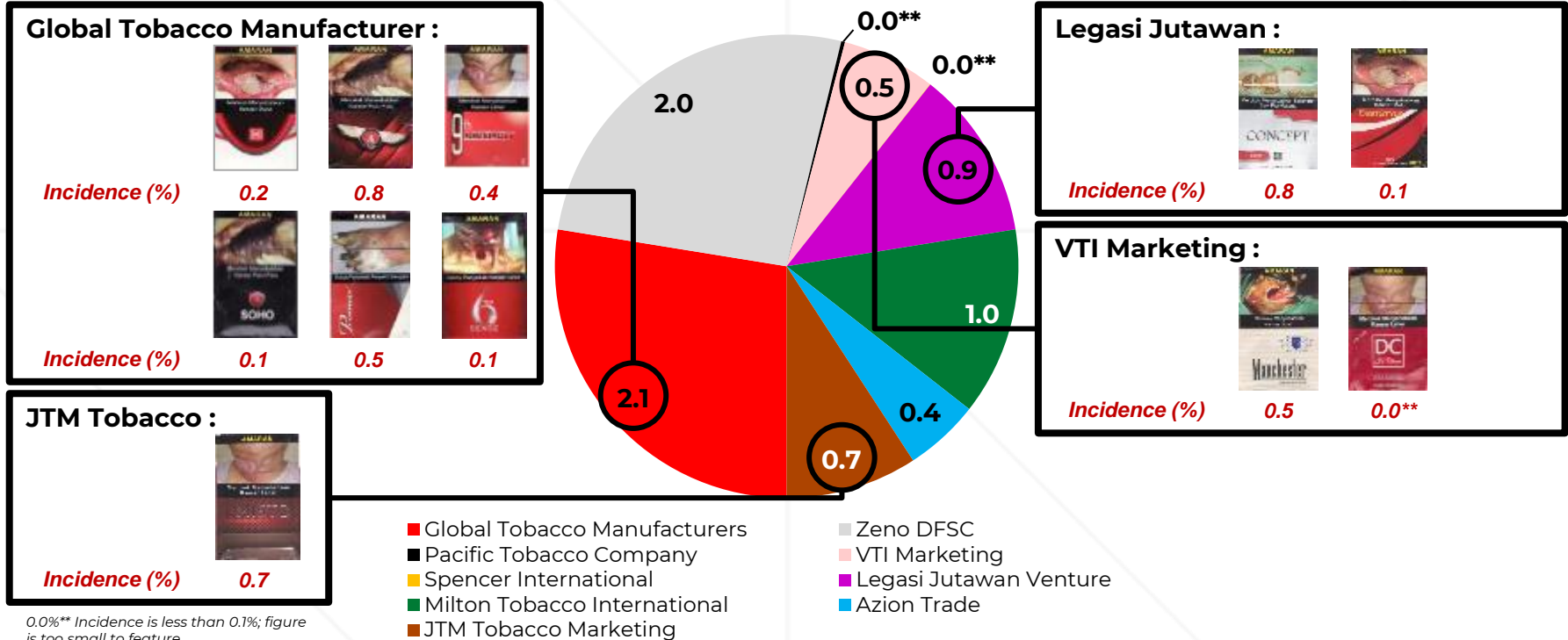
87% of illegal cigarettes are without tax stamps while remaining 13% are with fake tax stamps

Incidence (%)



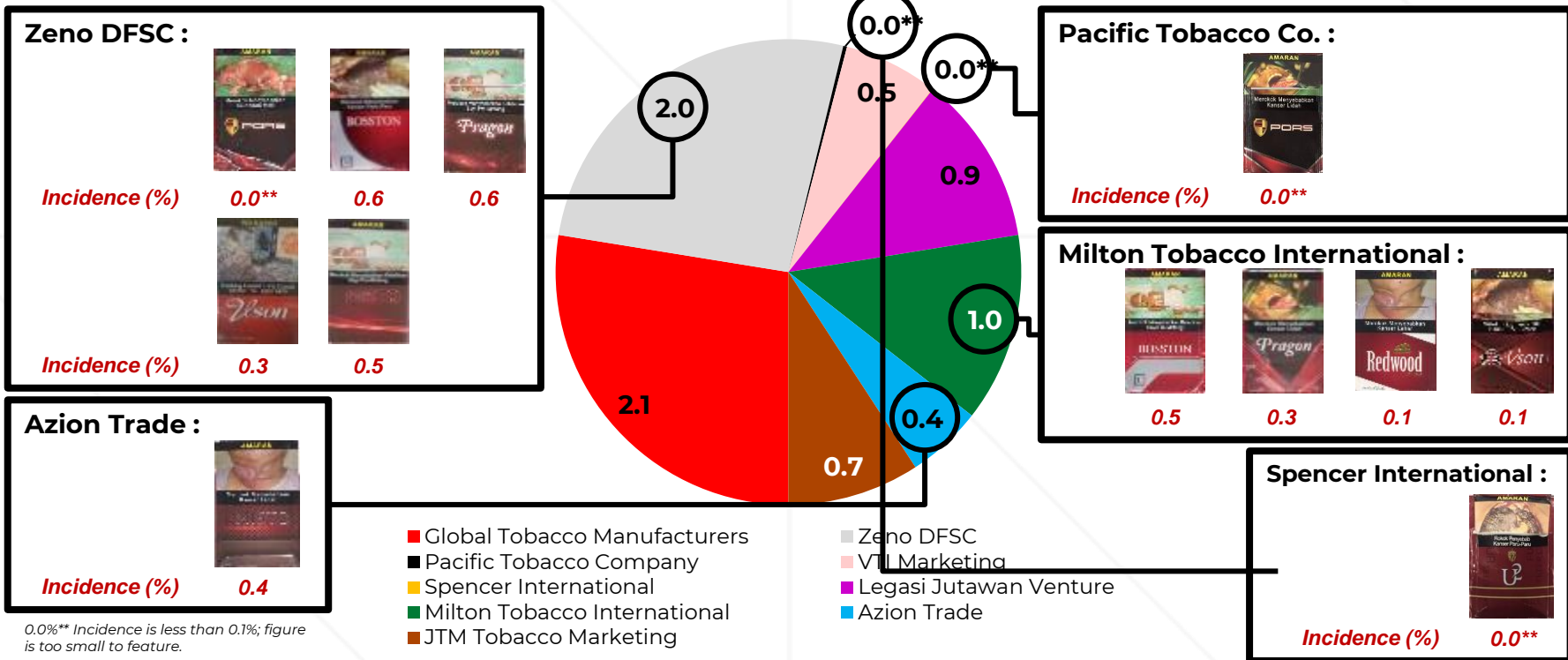
Fake Tax Stamp Breakdown By Manufacturers / Importers :

Illegal cigarettes with fake tax stamp for brands by Global Tobacco Manufacturer has increased in Dec 2021



Fake Tax Stamp Breakdown By Manufacturers / Importers :

Illegal cigarettes with fake tax stamp for brands by Global Tobacco Manufacturer has increased in Dec 2021



Illegal Cigarettes Incidence By State :

1 State recording an increase vs. 2020

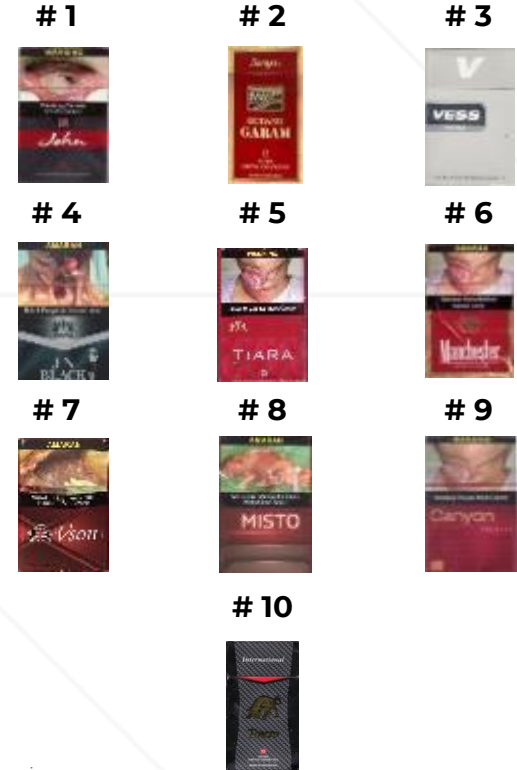
	A 2021				B 2020				A minus B Variance (2021 vs. 2020)				Volume Contribution
	Total Illegal	Fake Tax Stamp	Smuggled Whites	Smuggled Kretek	Total Illegal	Fake Tax Stamp	Smuggled Whites	Smuggled Kretek	Total Illegal	Fake Tax Stamp	Smuggled Whites	Smuggled Kretek	%
Sabah	83.4	0.0	78.0	5.4	86.6	0.0	80.8	5.8	-3.2	0.0	-2.8	-0.4	13%
Sarawak	80.5	0.0	72.8	7.7	82.2	0.0	70.8	11.4	-1.7	0.0	+2.0	-3.7	10%
Terengganu	73.0	6.3	62.5	4.2	78.0	2.4	70.7	4.9	-5.0	+3.9	-8.2	-0.7	4%
Pahang	72.0	8.5	55.9	7.6	76.8	4.3	51.9	20.6	-4.8	+4.2	+4.0	-13.0	9%
Kelantan	68.0	2.1	63.4	2.5	72.9	2.1	67.0	3.8	-4.9	0.0	-3.6	-1.3	5%
Kedah	55.1	5.6	42.2	7.3	67.7	14.9	45.2	7.6	-12.6	-9.3	-3.0	-0.3	4%
Penang	52.9	9.5	38.0	5.4	54.4	12.5	34.5	7.4	-1.5	-3.0	+3.5	-2.0	6%
Selangor	51.7	6.5	33.4	11.8	64.1	5.3	37.9	20.9	-12.4	+1.2	-4.5	-9.1	21%
WP KL	50.1	3.7	35.1	11.3	66.8	3.0	42.1	21.7	-16.7	+0.7	-7.0	-10.4	8%
Melaka	48.8	22.8	24.6	1.4	55.0	20.8	30.4	3.8	-6.2	+2.0	-5.8	-2.4	3%
Perlis	47.4	2.4	36.7	8.3	54.9	4.1	39.8	11.0	-7.5	-1.7	-3.1	-2.7	0%**
Johor	46.3	15.1	26.6	4.6	46.0	13.5	27.7	4.8	+0.3	+1.6	-1.1	-0.2	9%
N.Sembilan	37.5	15.1	17.7	4.7	47.2	13.7	25.9	7.6	-9.7	+1.4	-8.2	-2.9	3%
Perak	33.1	17.8	14.0	1.3	39.2	19.0	18.4	1.8	-6.1	-1.2	-4.4	-0.5	3%
National Incidence	57.3	7.7	42.3	7.3	63.8	7.3	42.7	13.8	-6.5	+0.4	-0.4	-6.5	100%

Top 10 Illegal Cigarettes Brands* For Perlis

Volume contribution to National = 0%**

	Illegal Brand	2021	2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	32.0	36.7	24.8
2.	Gudang Garam	7.9	11.0	7.0
3.	Vess	1.7	-	-
4.	JN	0.9	-	-
5.	Tiara	0.8	0.2	0.0**
6.	Manchester*	0.6	0.4	2.1
7.	Vson	0.6	-	-
8.	Misto	0.4	0.1	-
9.	Canyon	0.4	0.9	0.2
10.	Touro	0.3	-	0.1
Top 10 Total		45.6	49.3	34.2

<i>Other Illegal</i>	1.8	5.6	8.6
Total Illegal %	47.4	54.9	42.8

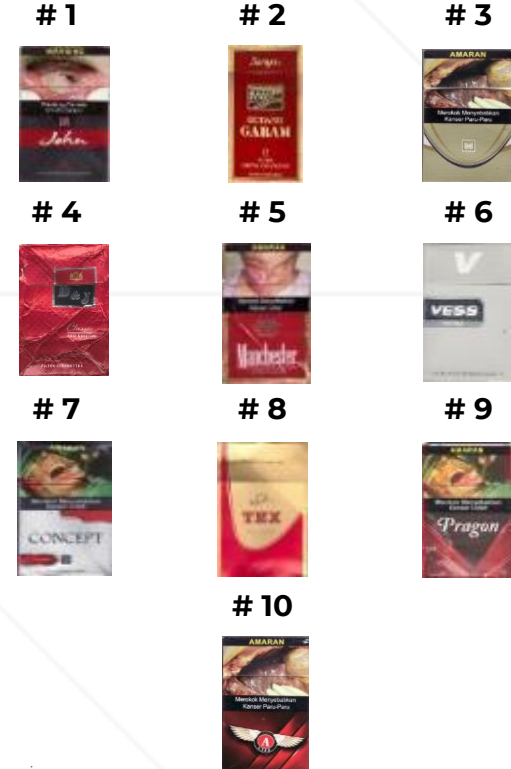


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Top 10 Illegal Cigarettes Brands* For Kedah

Volume contribution to National = 4%

	Illegal Brand	2021	2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	38.1	38.6	33.1
2.	Gudang Garam	7.2	7.2	7.3
3.	M*	1.4	6.8	1.8
4.	D&J	1.2	0.7	0.2
5.	Manchester*	1.0	1.0	2.7
6.	Vess	0.8	-	0.0**
7.	Concept*	0.6	1.9	2.1
8.	Tex	0.6	0.7	1.8
9.	Pragon*	0.6	0.5	0.0**
10.	A380*	0.5	2.3	2.5
Top 10 Total		52.0	59.7	51.5
Other Illegal		3.1	8.0	8.1
Total Illegal %		55.1	67.7	59.6



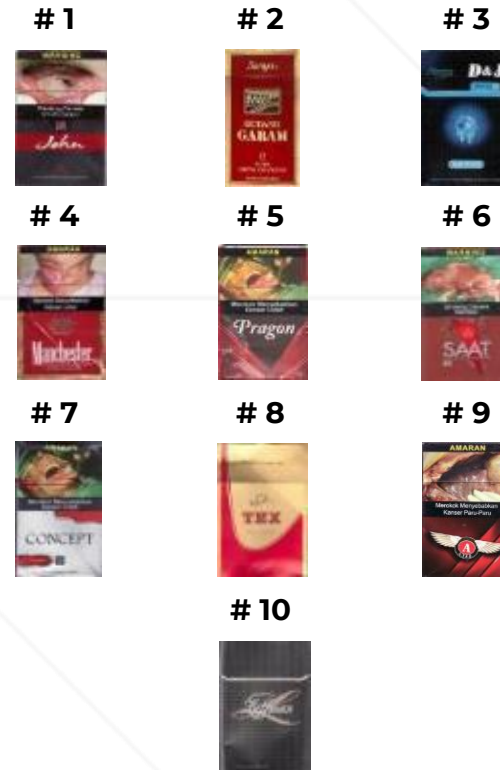
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Top 10 Illegal Cigarettes Brands* For Penang

Volume contribution to National = 6%

Illegal Brand	2021	2020	2019
	SOM (%)	SOM (%)	SOM (%)
1. John	29.7	22.6	25.7
2. Gudang Garam	5.1	6.4	4.6
3. D&J	2.5	0.4	0.2
4. Manchester*	1.8	2.2	2.5
5. Pragon*	1.7	1.4	-
6. Saat	1.4	4.0	3.3
7. Concept*	1.3	0.5	1.6
8. Tex	1.1	0.8	1.7
9. A380*	1.1	3.2	4.2
10. Luffman	0.9	1.9	0.7
Top 10 Total	46.6	43.4	44.5

Other Illegal	6.3	11.0	10.8
Total Illegal %	52.9	54.4	55.3



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Top 10 Illegal Cigarettes Brands* For Perak

Volume contribution to National = 3%

		2021	2020	2019
		SOM	SOM	SOM
	Illegal Brand	(%)	(%)	(%)
1.	John	7.8	8.7	10.3
2.	Concept*	4.6	3.6	2.8
3.	D&J	3.2	2.7	3.1
4.	9th Century*	2.5	2.3	1.8
5.	Bosston*	2.3	1.8	0.3
6.	Manchester*	1.8	1.3	1.3
7.	Misto*	1.8	1.3	-
8.	Pragon*	1.4	2.1	0.0**
9.	Gudang Garam	1.1	1.5	1.4
10.	Canyon	0.9	3.0	3.3
Top 10 Total		27.4	28.3	24.3

	Other Illegal	5.7	10.9	13.3
	Total Illegal %	33.1	39.2	37.6



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Top 10 Illegal Cigarettes Brands* For Selangor

Volume contribution to National = 21%

		2021	2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	John	9.2	12.7	14.4
2.	U2	9.1	12.5	5.6
3.	Cudang Garam	6.1	9.2	9.8
4.	Canyon	5.3	4.8	4.8
5.	Luffman	4.9	4.0	2.7
6.	L.A.	4.3	8.9	7.0
7.	Zon King	3.0	1.4	5.0
8.	Misto*	1.7	0.6	-
9.	Pragon*	1.3	0.5	0.0**
10.	Bosston*	0.9	0.7	1.1
Top 10 Total		45.8	55.3	50.4

Other Illegal		5.9	8.8	13.4
Total Illegal %		51.7	64.1	63.8

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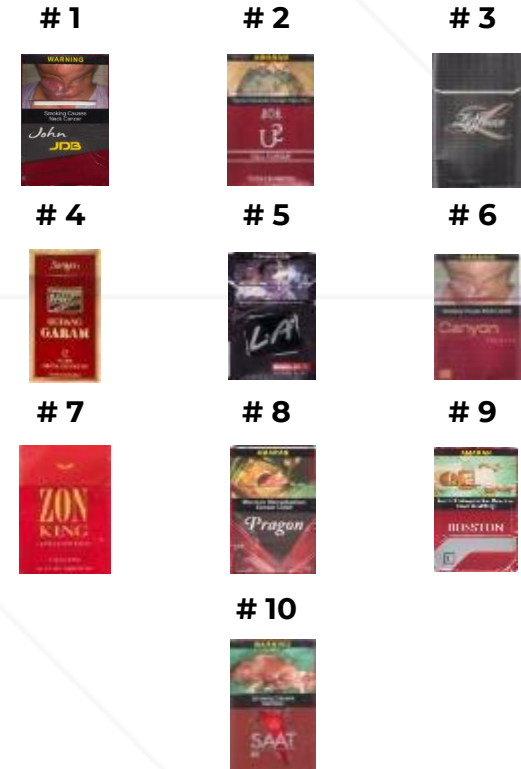
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0%** Incidence is less than 0.5%; figure is too small to feature.

Top 10 Illegal Cigarettes Brands* For WP KL

Volume contribution to National = 8%

		2021	2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	John	10.1	14.1	15.5
2.	U2	9.9	14.8	5.6
3.	Luffman	5.7	4.6	2.8
4.	Gudang Garam	5.3	8.7	8.2
5.	L.A.	4.8	10.3	6.9
6.	Canyon	4.3	4.4	5.0
7.	Zon King	3.4	1.7	6.0
8.	Pragon*	1.2	0.4	0.0**
9.	Bosston*	0.8	0.6	0.8
10.	Saat	0.7	0.7	1.8
Top 10 Total		46.2	60.3	52.6

Other Illegal		3.9	6.5	9.4
Total Illegal %		50.1	66.8	62.0



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 0%** Incidence is less than 0.5%; figure is too small to feature.

Top 10 Illegal Cigarettes Brands* For N.Sembilan

Volume contribution to National = 3%

	Illegal Brand	2021	2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	Canyon	8.5	6.8	5.6
2.	Misto*	7.2	3.2	-
3.	U2	4.4	7.0	3.2
4.	Gudang Garam	3.6	6.4	6.1
5.	A380*	2.8	4.3	2.7
6.	John	2.6	8.2	8.7
7.	Manchester*	1.3	0.7	1.7
8.	6 th Sense	1.2	0.1	0.4
9.	Bosston	0.9	1.2	0.8
10.	Touro	0.7	0.3	0.2
Top 10 Total		33.2	38.2	29.4
Other Illegal		4.3	9.0	19.0
Total Illegal %		37.5	47.2	48.4



* relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

Top 10 Illegal Cigarettes Brands* For Melaka

Volume contribution to National = 3%

		2021	2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	Canyon	13.2	9.0	9.3
2.	John	9.1	18.9	18.1
3.	Misto*	5.1	1.7	-
4.	A380*	5.0	3.3	1.3
5.	Promax*	3.1	4.2	2.1
6.	Bosston*	2.8	5.0	2.0
7.	Pragon*	1.7	0.9	-
8.	SOHO	1.5	0.5	1.3
9.	9th Century*	1.0	1.9	4.8
10.	Gudang Garam	0.9	2.3	2.1
Top 10 Total		43.4	47.7	41.0

Other Illegal		5.4	7.3	9.4
Total Illegal %		48.8	55.0	50.4

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* relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

Top 10 Illegal Cigarettes Brands* For Johor

Volume contribution to National = 9%

		2021	2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	Canyon	9.8	8.9	6.5
2.	John	7.8	9.1	6.8
3.	U2	7.6	7.6	7.2
4.	Misto*	4.6	2.3	-
5.	Gudang Garam	2.6	3.4	3.0
6.	Bosston*	2.4	2.6	2.0
7.	A380*	2.1	1.5	2.2
8.	Promax*	1.3	1.6	2.0
9.	Concept*	1.2	1.5	1.2
10.	L.A.	0.7	0.7	0.6
Top 10 Total		40.1	39.2	31.5

Other Illegal		6.2	6.8	9.6
Total Illegal %		46.3	46.0	41.1



* relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

Top 10 Illegal Cigarettes Brands* For Pahang

Volume contribution to National = 9%

		2021	2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	John	28.1	20.9	24.2
2.	U2	11.4	19.7	21.2
3.	Canyon	7.8	8.5	6.0
4.	Saat	6.3	1.4	1.4
5.	Gudang Garam	5.3	7.3	3.9
6.	Bosston*	3.9	2.1	0.5
7.	Concept*	1.1	0.3	0.7
8.	Diplomat	1.1	9.2	0.1
9.	Misto*	1.0	0.3	-
10.	Pragon*	0.8	0.4	0.1
Top 10 Total		66.8	70.1	58.1

Other Illegal		5.2	6.7	19.7
Total Illegal %		72.0	76.8	77.8



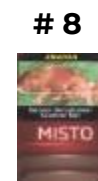
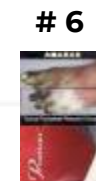
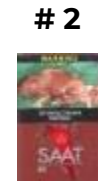
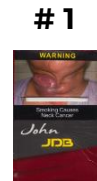
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Top 10 Illegal Cigarettes Brands* For Terengganu

Volume contribution to National = 4%

		2021	2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	John	26.1	29.7	31.7
2.	Saat	24.5	27.3	27.1
3.	U2	9.6	9.1	5.8
4.	Gudang Garam	4.0	4.0	4.0
5.	Pragon*	1.7	0.2	0.0**
6.	Promax*	1.7	0.6	0.4
7.	Concept*	1.1	0.1	0.3
8.	Misto*	0.8	0.2	-
9.	League	0.7	0.6	1.6
10.	D&J	0.5	0.0**	0.1
Top 10 Total		70.7	71.8	71.0

Other Illegal		2.3	6.2	7.7
Total Illegal %		73.0	78.0	78.7



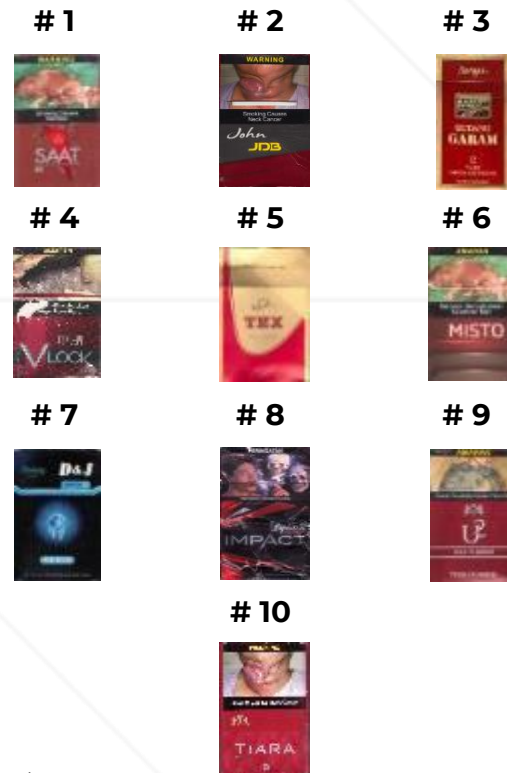
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0.0%** Incidence is less than 0.1%; figure is too small to feature.

Top 10 Illegal Cigarettes Brands* For Kelantan

Volume contribution to National = 5%

		2021	2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	Saat	58.5	57.4	61.6
2.	John	3.6	7.1	4.4
3.	Gudang Garam	2.2	3.6	4.7
4.	Concept*	1.5	0.5	0.7
5.	Tex	0.6	1.9	0.1
6.	Misto	0.5	0.0**	-
7.	D&J	0.3	0.0**	0.1
8.	Diplomat	0.2	-	-
9.	U2	0.1	0.3	0.0**
10.	Tiara	0.1	0.1	0.0**
Top 8 Total		67.6	70.9	71.6

Other Illegal		0.4	2.0	4.6
Total Illegal %		68.0	72.9	76.2



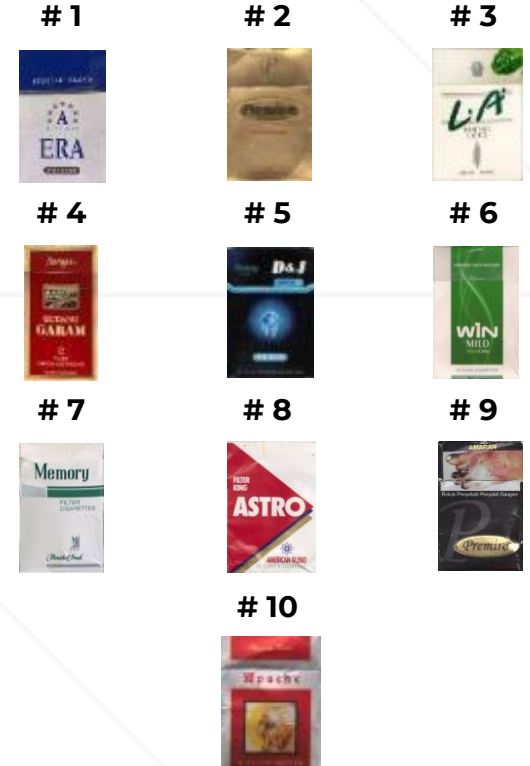
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 0.0%** Incidence is less than 0.1%; figure is too small to feature.

Top 10 Illegal Cigarettes Brands* For Sabah

Volume contribution to National = 13%

		2021	2020	2019
		SOM	SOM	SOM
	Illegal Brand	(%)	(%)	(%)
1.	Era	68.5	52.3	50.6
2.	Premium	7.2	24.6	18.6
3.	L.A.	2.6	0.9	3.5
4.	Gudang Garam	2.2	1.0	0.5
5.	D&J	1.6	2.2	3.1
6.	Win Mild	0.3	0.1	-
7.	Memory	0.3	0.1	0.0**
8.	Astro	0.2	0.0**	0.0**
9.	Premiro	0.2	-	0.0**
10.	Apache	0.2	3.7	1.7
Top 10 Total		83.3	84.9	78.0

	Other Illegal	0.1	1.7	3.0
	Total Illegal %	83.4	86.6	81.0



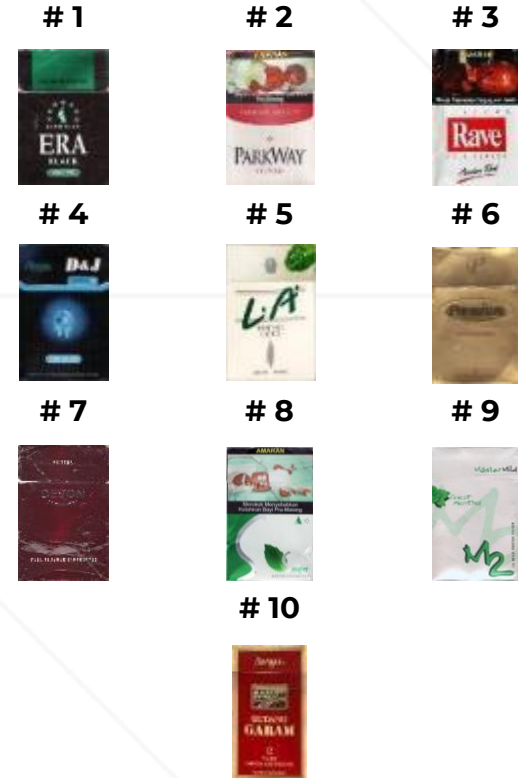
* relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise
 0.0** Incidence is less than 0.1%; figure is too small to feature.

Top 10 Illegal Cigarettes Brands* For Sarawak

Volume contribution to National = 10%

		2021	2020	2019
		SOM	SOM	SOM
	Illegal Brand	(%)	(%)	(%)
1.	Era	31.6	29.1	28.2
2.	Parkway	21.3	19.2	17.1
3.	Rave	8.2	8.6	7.9
4.	D&J	4.9	4.0	3.6
5.	L.A.	4.5	6.6	9.7
6.	Premium	1.9	1.6	2.4
7.	Devon	1.7	0.6	0.3
8.	S Super	1.2	1.2	1.5
9.	Master Mild M2	0.6	0.8	0.7
10.	Gudang Garam	0.5	0.9	1.1
Top 10 Total		76.4	72.6	72.5

	Other Illegal	4.1	9.6	13.6
	Total Illegal %	80.5	82.2	86.1



* relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise



About NielsenIQ

Arthur C. Nielsen, who founded Nielsen in 1923, is the original name in consumer intelligence. After decades of helping companies look to the future, we are setting the foundation for our future by becoming NielsenIQ. We continue to be the undisputed industry leaders as evidenced by our experience and unmatched integrity. As we move forward, we are focused on providing the best retail and consumer data platform, enabling better innovation, faster delivery, and bolder decision-making. We are unwavering in our commitment to these ideals and passionate about helping clients achieve success. For more information, visit: niq.com