

The impact of the Malaysian minimum cigarette price law: Findings from the ITC Malaysia Survey

Liber, A.C., Ross, H., Omar, M., & Chaloupka, F.

Abstract

OBJECTIVES: Study the effects of the 2011 Malaysian minimum price law (MPL) on prices of licit and illicit cigarette brands. Identify barriers to the MPL achieving positive public health effects.

METHODS: The International Tobacco Control Project's Southeast Asia survey collected information on Malaysian smokers' cigarette purchases (n=7520) in five survey waves between 2005 and 2012. Consumption-weighted comparisons of proportions tests and adjusted Wald tests were used to evaluate changes over time in violation rates of the inflation-adjusted MPL, the proportion of illicit cigarette purchases and mean prices.

RESULTS: After the passage of the MPL, the proportion of licit brand cigarette purchases that were below the inflation-adjusted 2011 minimum price level fell substantially (before 3.9%, after 1.8%, $p=0.002$), while violation of the MPL for illicit brand cigarette purchases was unchanged (before 89.8%, after 91.9%, $p=0.496$). At the same time, the mean real price of licit cigarettes rose ($p=0.006$), while the mean real price of illicit cigarettes remained unchanged ($p=0.134$). The proportion of illicit cigarette purchases rose as well (before 13.4%, after 16.5%, $p=0.041$).

DISCUSSION: The MPL appears not to have meaningfully changed cigarette prices in Malaysia, as licit brand prices remained well above and illicit brand prices remained well below the minimum price level before and after MPL's implementation. The increasing proportion of illicit cigarettes on the market may have undermined any positive health effects of the Malaysian MPL. The illicit cigarette trade must be addressed before a full evaluation of the Malaysian MPL's impact on public health can take place. The authors encourage the continued use of specific excise tax increases to reliably increase the price and decrease the consumption of cigarettes in Malaysia and elsewhere.

Recommended Citation

Liber, A.C., Ross, H., Omar, M., & Chaloupka, F. (2015). The impact of the Malaysian minimum cigarette price law: Findings from the ITC Malaysia Survey. *Tobacco Control*, 24 (Suppl 3), 83-87.

Link To PDF:

<http://www.ncbi.nlm.nih.gov/pubmed/?term=The+Impact+of+the+Malaysian+Minimum+Cigarette+Price+Law%3A+Findings+from+the+ITC+Malaysia+Survey>