ILLICIT CIGARETTES STUDY (ICS) IN MALAYSIA AUG 2020 REPORT

Report Commissioned by CMTM member companies



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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
 - Pack Size other than 20 sticks
 - II. Absence or Non Compliance of mandated labeling requirements

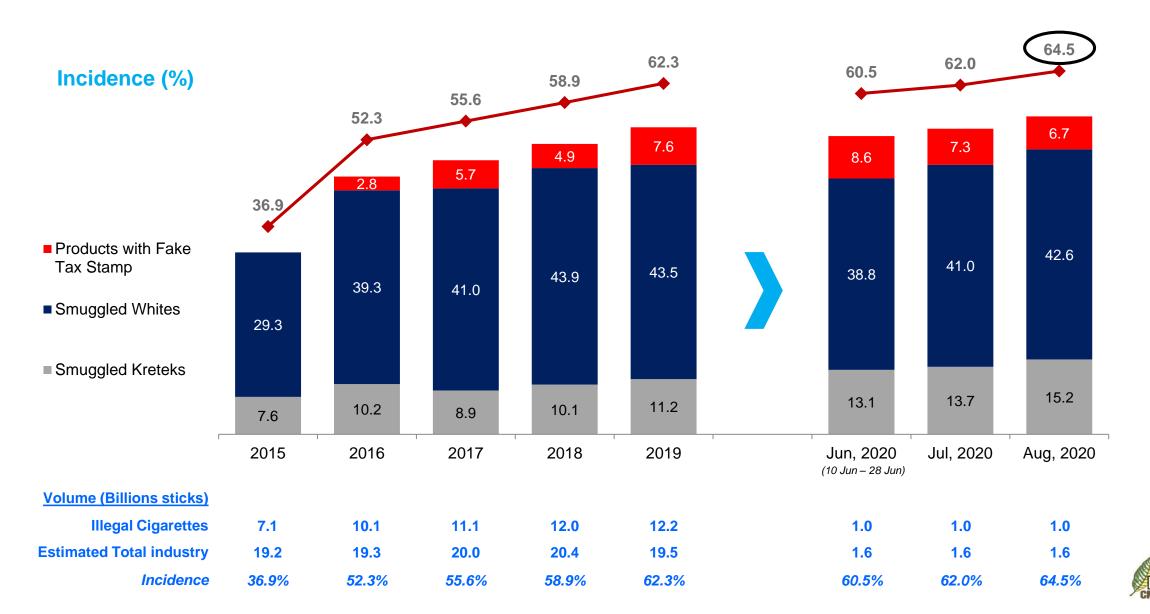
Not registered with the Royal Malaysian Customs

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



ILLEGAL CIGARETTES INCIDENCE AT NATIONAL LEVEL:

Overall increased by 2.5 ppt. vs. Jul, 2020



TOP 10 ILLEGAL CIGARETTES BRANDS*

They account for approximately 80% of illegal cigarettes volume; L.A continue to grow vs. 2019

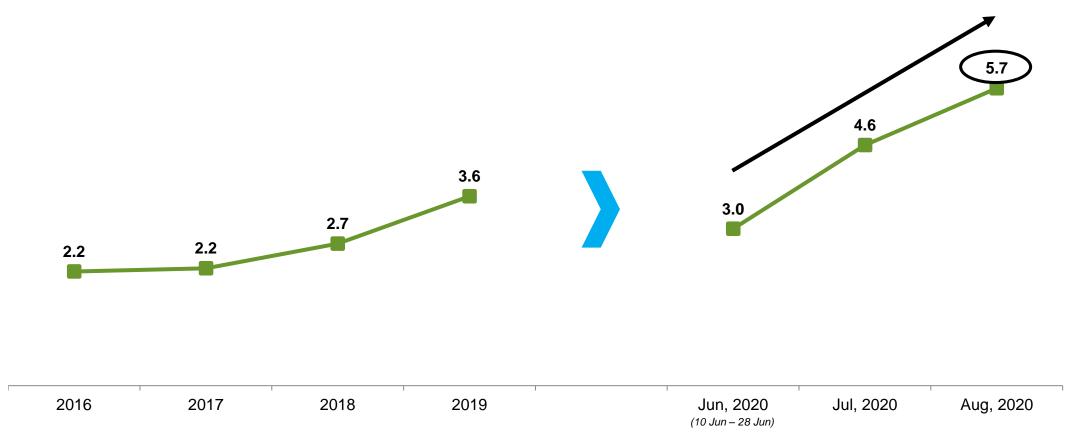
		Aug, 2020	Jul, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	AMARAN	Swya
	Illegal Brand	(%)	(%)	(%)	Smotry Causes Premiure Bro John D-BLEND	Roisis Persystems Face-Perso KORA UP	GUDANG GARAM
1.	John	13.9	13.0	14.2	D-BLEND	FUL FLAVOUR	I2 PREM KRITER CRARTES MATE IN INCOMEN
2.	U2	8.6	8.3	5.3	# 4	# 5	#6
3.	Gudang Garam	6.0	5.7	6.0	PERINGATAN		WARNING
4.	LA	5.7	4.6	3.6		SPECIAL BLEND	Smoking Causios Neck Cencor
5.	Era	4.5	3.2	4.4	LAI	ERA	Canyon
6.	Canyon	4.0	3.8	4.5			100
7.	Saat	3.4	5.1	4.9	# 7	# 8	# 9
8.	Premium	2.2	1.4	1.5	WARNING	P	
9.	Luffman	1.9	1.6	1.3	Smoking Causes See Birth	Premium	Litthan
10.	A380*	1.7	1.5	0.9	SAAT	Minutow	
	Total 10 Total	51.9	48.2	46.6		# 10	PursuetBerd
						₩ TU	
	Other Illegal	12.6	13.8	15.7			
	Total Illegal %	64.5	62.0	62.3		Merskok Menyebaskan Kanase Paru-Paru	

*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

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ILLEGAL L.A. GROWTH TREND

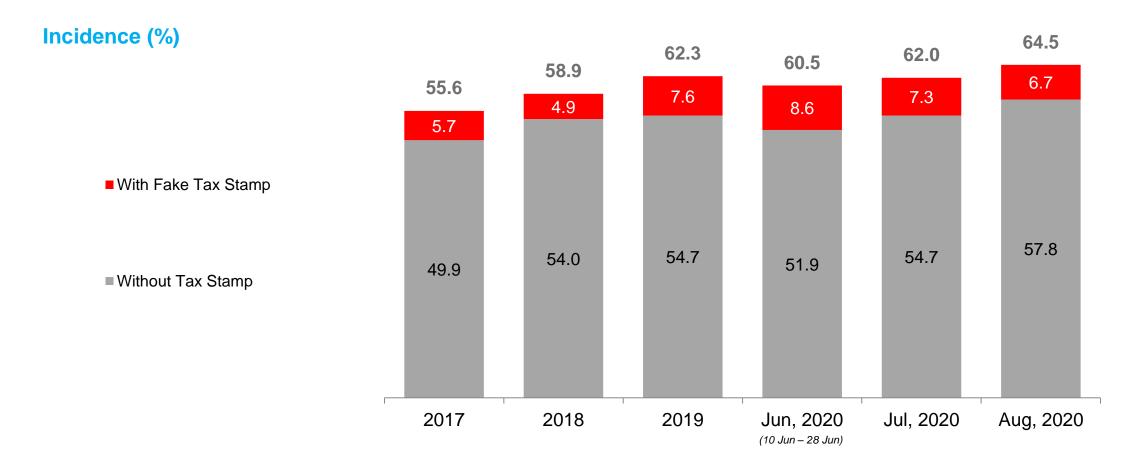
L.A. has been on steady growth since 2017 – rapid growth in 2020 observed





TAX STAMP BREAKDOWN OF ILLEGAL CIGARETTES:

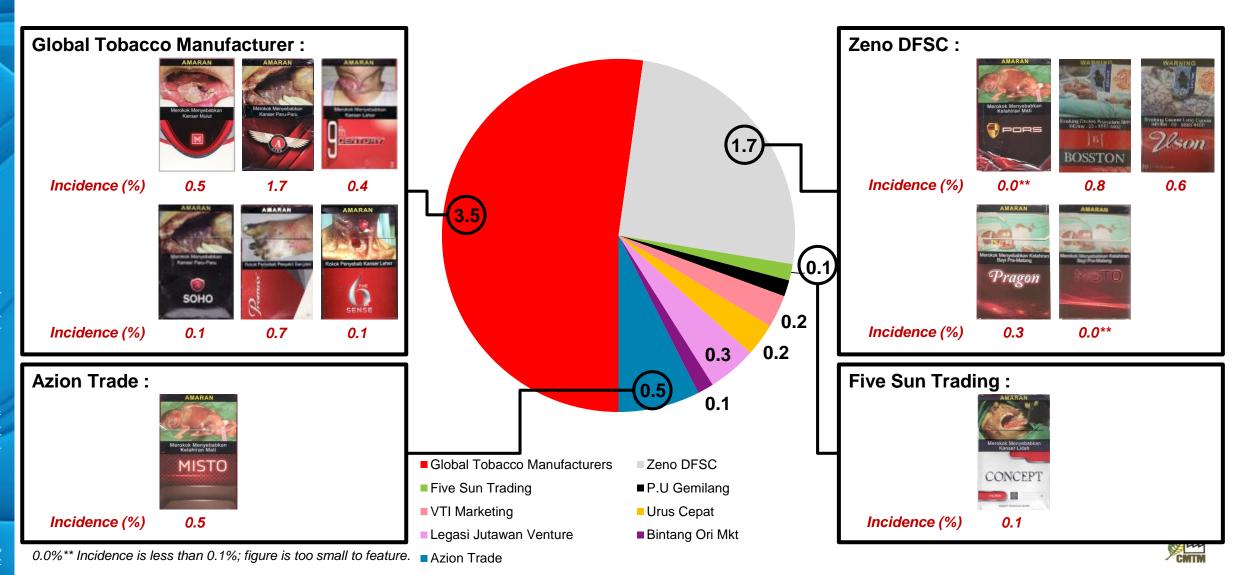
90% of illegal cigarettes are without tax stamps while remaining 10% are with fake tax stamps





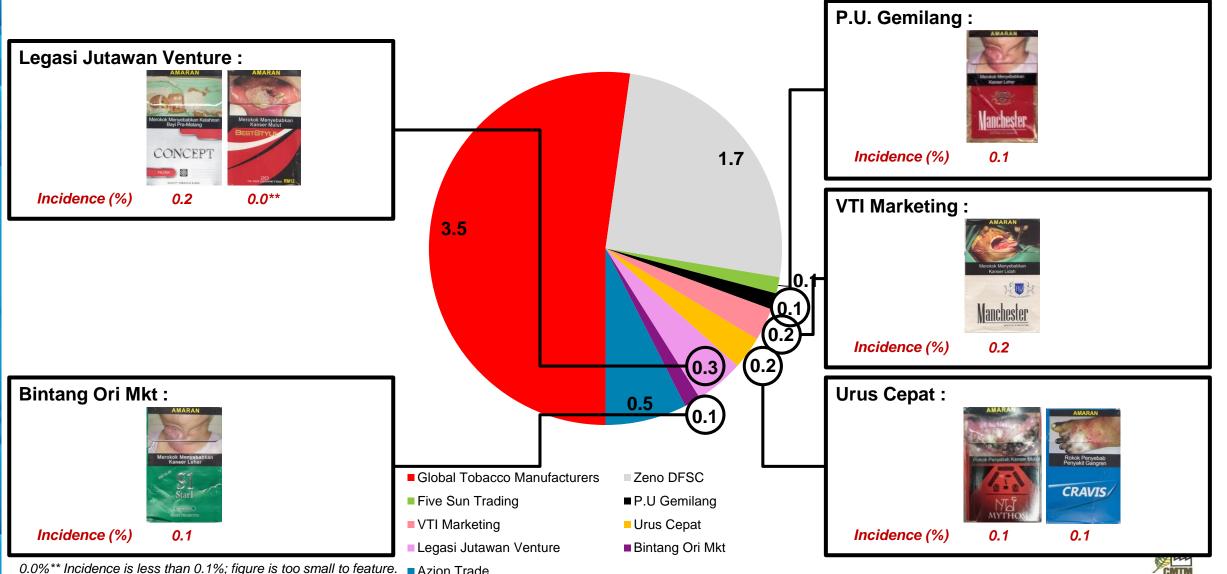
FAKE TAX STAMP BREAKDOWN BY MANUFACTURERS / IMPORTERS:

Illegal cigarettes with fake tax stamp for brands imported by Zeno DFSC and Azion Trade has increased in Aug



FAKE TAX STAMP BREAKDOWN BY MANUFACTURERS / IMPORTERS:

1



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

ILLEGAL CIGARETTES INCIDENCE BY STATES:

8 States recording an increase vs. Jul, 2020

			Α				В		A minus B				Volume
		Aug	, 2020			Ju	ul, 2020		Var	iance (Aug'	2020 vs. Jul	'2020)	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	89.0	0.0	81.7	7.3	86.1	0.0	77.9	8.2	+2.9	0.0	+3.8	-0.9	10%
Sarawak	85.0	0.0	73.0	12.0	84.2	0.1	71.6	12.5	+0.8	-0.1	+1.4	-0.5	4%
Pahang	78.0	3.1	53.2	21.7	79.2	3.3	57.4	18.5	-1.2	-0.2	-4.2	+3.2	9%
Terengganu	72.5	2.1	65.1	5.3	79.7	2.4	72.4	4.9	-7.2	-0.3	-7.3	+0.4	3%
Kelantan	71.7	3.2	62.4	6.1	77.3	2.9	69.8	4.6	-5.6	+0.3	-7.4	+1.5	4%
Kedah	67.0	14.4	45.7	6.9	66.6	14.8	46.6	5.2	+0.4	-0.4	-0.9	+1.7	4%
WP KL	66.5	1.8	40.6	24.1	61.0	4.5	35.6	20.9	+5.5	-2.7	+5.0	+3.2	16%
Selangor	65.7	4.4	38.7	22.6	60.0	6.8	31.0	22.2	+5.7	-2.4	+7.7	+0.4	31%
Perlis	65.0	4.8	47.2	13.0	55.1	5.3	42.0	7.8	+9.9	-0.5	+5.2	+5.2	0%
Penang	50.8	11.5	32.7	6.6	54.5	15.5	31.6	7.4	-3.7	-4.0	+1.1	-0.8	4%
Melaka	50.1	23.2	23.2	3.7	38.6	13.6	23.9	1.1	+11.5	+9.6	-0.7	+2.6	3%
N.Sembilan	46.9	13.9	21.3	11.7	44.1	9.2	26.4	8.5	+2.8	+4.7	-5.1	+3.2	2%
Johor	45.9	15.1	25.9	4.9	46.1	12.0	29.8	4.3	-0.2	+3.1	-3.9	+0.6	8%
Perak	38.6	16.9	19.9	1.8	40.5	18.1	21.1	1.3	-1.9	-1.2	-1.2	+0.5	2%
National Incidence	64.5	6.7	42.6	15.2	62.0	7.3	41.0	13.7	+2.5	-0.6	+1.6	+1.5	100%



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ILLEGAL CIGARETTES INCIDENCE BY STATES:

8 States recording an increase vs. 2019

			Α				В			A m	inus B		Volume
		Aug	, 2020				2019		Va	ariance (Au	g'2020 vs. 2	019)	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	89.0	0.0	81.7	7.3	81.0	0.0	75.0	6.0	+8.0	0.0	+6.7	+1.3	10%
Sarawak	85.0	0.0	73.0	12.0	86.1	0.0	72.2	13.9	-1.1	0.0	+0.8	-1.9	4%
Pahang	78.0	3.1	53.2	21.7	78.7	3.5	70.5	4.7	+0.2	-2.3	-9.5	+12.0	9%
Terengganu	72.5	2.1	65.1	5.3	77.8	5.4	62.7	9.7	-6.2	-1.4	-5.4	+0.6	3%
Kelantan	71.7	3.2	62.4	6.1	76.2	1.7	69.1	5.4	-4.5	+1.5	-6.7	+0.7	4%
Kedah	67.0	14.4	45.7	6.9	59.6	13.0	38.7	7.9	+7.4	+1.4	+7.0	-1.0	4%
WP KL	66.5	1.8	40.6	24.1	62.0	4.4	40.3	17.3	+4.5	-2.6	+0.3	+6.8	16%
Selangor	65.7	4.4	38.7	22.6	63.8	6.5	38.1	19.2	+1.9	-2.1	+0.6	+3.4	31%
Perlis	65.0	4.8	47.2	13.0	42.8	7.1	28.6	7.1	+22.2	-2.3	+18.6	+5.9	0%
Penang	50.8	11.5	32.7	6.6	55.3	15.0	34.9	5.4	-4.5	-3.5	-2.2	+1.2	4%
Melaka	50.1	23.2	23.2	3.7	41.1	13.6	23.4	4.1	-0.3	+7.2	-7.9	+0.4	3%
N.Sembilan	46.9	13.9	21.3	11.7	48.4	14.3	26.9	7.2	-1.5	-0.4	-5.6	+4.5	2%
Johor	45.9	15.1	25.9	4.9	37.6	12.6	23.4	1.6	+4.8	+1.5	+2.5	+0.8	8%
Perak	38.6	16.9	19.9	1.8	50.4	16.0	31.1	3.3	+1.0	+4.3	-3.5	+0.2	2%
National Incidence	64.5	6.7	42.6	15.2	62.3	7.6	43.5	11.2	+2.2	-0.9	-0.9	+4.0	100%



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TOP 10 ILLEGAL CIGARETTES BRANDS FOR PERLIS

Volume contribution to National = 0%* (0%* Incidence is less than 0.5%; figure is too small to feature.)

		Aug, 2020	Jul, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	Swya	
	Illegal Brand	(%)	(%)	(%)	Breating Causeer White Tabacer	GUDANG GARAM	Luffman
1.	John	41.9	38.9	24.8	John	VALEAM 12 NATER NATER COMMUTES NOR INSTANCE	
2.	Gudang Garam	13.0	7.8	7.0	# 4	# 5	# 6
3.	Luffman	2.7	-	0.4	AMARAN	AMARAN	WARNING
4.	M*	2.3	2.6	0.2			Smaking Causes Neds Cancer
5.	A380*	1.8	1.3	3.6	Robok Penyebab Keguguran Janin	Rokok Penyebab Penyekit Gangren	Canyon
6.	Canyon	1.5	0.5	0.2			
7.	Manchester*	0.5	1.0	2.1	# 7	# 8	# 9
8.	Tiara	0.3	-	0.0*	AMARAN	WARNING	
9.	Paradox	0.2	-	-	Marskajk Menyelesisian Kanso Lahen	Smalling Causes Neck Carlow	PARADOX
10.	U2	0.2	0.3	1.3	Nanchester,		
	Total 10 Total	64.4	52.4	39.6	And assessment and	# 10	at none
	Other Illegal	0.6	2.7	3.2		AMARAN	
	Total Illegal %	65.0	55.1	42.8		本は 本 は で よ に 本 、 本 、 本 、 本 、 、 、 、 、 、 、 、 、 、 、 、 、	

*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 KEDAH

Volume contribution to National = 4%

		Aug, 2020	Jul, 2020	2019	# 1	# 2	#
		SOM	SOM	SOM	WARNING	AMARAN	
	Illegal Brand	(%)	(%)	(%)	Strate of Enser Notice Concer	Rolak Penyebab Keguguran Janin	G
1.	John	39.4	39.4	33.1	John		ו
2.	M*	6.5	5.4	1.8	# 4	# 5	7
3.	Gudang Garam	6.4	4.9	7.3	AMARAN		
4.	A380*	3.2	3.4	2.5		Fairl	
5.	Luffman	2.1	2.7	0.9	Roksk Ponyebab Kanser Paru-Paru	Lattinan	
6.	Tex	1.1	0.9	1.8		Terrather	
7.	Canyon	1.0	0.6	0.2	# 7	# 8	ŧ
8.	Manchester*	0.9	1.6	2.7	WARNING	AMARAN	
9.	Promax*	0.9	0.8	0.5	Smeking Causes Neck Cancer	Merclark Mersehnlichen Reinster Litter	Rokok Per
10.	9 th Century*	0.7	0.4	0.6	Canyon	Manchester	Connes
	Total 10 Total	62.2	60.1	51.4	100	# 10	6
	Other Illegal	4.8	6.5	8.2		AWARAN	
	Total Illegal %	67.0	66.6	59.6		Mercikak Manyebabkan Kelahiran Bayi Pra-Matang	

*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

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TOP 10 ILLEGAL CIGARETTES BRANDS FOR PENANG

Volume contribution to National = 4%

		Aug, 2020		Jul, 2020		2019	# 1	# 2	# 3
		SOM		SOM		SOM	WARNING	Swya	AMARAN
	Illegal Brand	(%)		(%)		(%)	Smaing Causes Prenature Birth John	GUDANG GARAM	Merokok Menyebabkan Kanser Peru-Paru
1.	John	24.0		24.0		25.7	D-BLEND	L2 RATER RATER AND COMPTES MOR HODAR	
2.	Gudang Garam	5.6		6.2		4.6	# 4	# 5	# 6
3.	A380*	3.5		3.2		4.2	AMARAN	WARNING	AMARAN
4.	M*	2.2		2.4		3.3	Merokok Menyebatikan	Smsking Causes	
5.	Saat	2.1		2.0		3.3	Kanser Paru-Paru	SAAT	Handard
6.	Manchester*	2.0		4.5		2.5		B	Mallenester
7.	Luffman	1.3		1.1		0.7	# 7	# 8	# 9
8.	U2	1.3		1.0		0.5		AMARAN	AMARAN
9.	Pragon*	1.2		0.6		-	Liffman	Back Regulate Resear Prov. Prov. Res. Regulate Resear Prov. Prov. Prov. Regulate Res. Prov. Prov. Prov. Prov. Regulate Res. Prov.	Mercilok Menyebablaran Kelehiran Bayi Pra-Matang
10.	Bosston*	1.0		1.1		0.5		RUL RAVOLA	Pragon
	Total 10 Total	44.2		46.1		45.3	Perception	# 10	
			1	[]	1 Г			# TO	
	Other Illegal	6.6		8.4		10.0			
	Total Illegal %	50.8		54.5		55.3		Merokok Menyebabkan Kanser Paru-Paru BOSSTON	

*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

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B

TOP 10 ILLEGAL CIGARETTES BRANDS FOR PERAK

Volume contribution to National = 2%

		Aug, 2020	Jul, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	AMARAN	WARNING
	Illegal Brand	(%)	(%)	(%)	smaling Gauses Smaling Gauses John D-BLEND	Merokok Menyubabkan Katsar Laher	Smoking Clauses Neck Cancer
1.	John	9.2	8.6	10.3	D-BLEND	CONCEPT	Canyon
2.	Concept*	3.8	1.7	2.8	# 4	# 5	# 6
3.	Canyon	3.5	3.8	3.3		AMARAN	AMARAN
4.	D&J	2.6	3.5	3.1		Merokok Menyebabkan Kelahiran Mati	
5.	Misto*	2.2	2.3	-	D&J	MISTO	Kanser Para-Para
6.	A380*	2.1	3.9	1.6	AMERICAN BLEND NOC LODGE THE AUTORITY OF TRUDENING OWNERS IN SCHWART		
7.	9th Century*	2.0	2.5	1.8	# 7	# 8	# 9
8.	Bosston*	1.8	1.9	0.3	AMARAN	AMARAN	AMARAN
9.	Manchester*	1.4	2.2	1.3	Marck3, Myryddolaer Katalinga Bay Pra-Malang	Merokok Menyebabkan Kanaer Partu-Partu BOSSTON	Mercilia, Merceladian Ranse Laher
10.	Gudamg Garam	1.4	1.0	1.4	Oth CENTURY	BOSSION	Nanchester .
	Total 10 Total	30.0	31.4	25.9	. 1	# 10	and the second sec
						# 10	
	Other Illegal	8.6	9.1	11.7		Surya	
	Total Illegal %	38.6	40.5	37.6		GUDANG GARAM	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR SELANGOR Volume contribution to National = 31%

		Aug, 2020	Jul, 2020	2019	# 1	# 2	#:
		SOM	SOM	SOM	WARNING	AMARAN	PERINC
	Illegal Brand	(%)	(%)	(%)	Smoking Gauss Premaure Ben John D-BLEND	Ratack Proyectab Kanner Para Para KÖR UZ	
1.	John	15.4	11.4	14.4	D-BLEND	FULL FLAVOUR	
2.	U2	12.1	9.4	5.6	# 4	# 5	#
3.	L.A.	10.6	9.2	7.0	Swya	PERINGATAN	
4.	Gudang Garam	7.7	8.4	9.8		SAMPOERAA	_
5.	Sampoerna	3.4	3.3	1.4	GARAM	A	Lif
6.	Luffman	3.4	2.8	2.7	12 PATER KRETER CECARTES MARTHODERS	Mild	Premium
7.	Canyon	3.4	3.0	4.8	# 7	# 8	#
8.	A380*	1.6	2.1	0.8	WARNING	AMARAN	
9.	Vson*	1.2	0.3	0.3	Smoking Causes Hild: Carver	Robal Forgetura Pergela Cargee	Merokok Mer
10.	Zon King	1.2	1.3	5.0	Canyon		Us
	Total 10 Total	60.0	51.2	51.8		# 10	20 Priner Cognoratio
						# 10	
	Other Illegal	5.7	8.8	12.0		~	
	Total Illegal %	65.7	60.0	63.8		ZON	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR WP KL

Volume contribution to National = 16%

		Aug, 2020	Ĺ	Jul, 2020		2019	# 1	# 2	# 3
		SOM		SOM		SOM	WARNING	AMARAN	PERINGATAN
	Illegal Brand	(%)		(%)		(%)	Smoling Causes Prendure Birn John	Rotal Persystein Komer Persu-Pers #©# UZ	I.Al
1.	John	14.6		12.6		15.5	D-BLEND	FULL FLAVOUR FULLE CIGANETTES	
2.	U2	13.9		11.2		5.6	# 4	# 5	# 6
3.	L.A.	12.5		8.6		6.9	Suryas		PERINGATAN
4.	Gudang Garam	6.8		6.7		8.2			SAMPOERNA
5.	Luffman	4.3		3.2		2.8	GUDANG GARAM	Liffman	A
6.	Sampoerna	4.1		4.1		1.4	PCTRN PATRN RAMETRIK COLAMATTES MARIN HI HODOWANA	Permant Band	Mild .
7.	Canyon	2.4		3.0		5.0	# 7	# 8	# 9
8.	Zon King	1.5		1.5		6.0	WARNING	~	WARNING
9.	Saat	0.6		0.6		1.8	Smoking Causes Not Cancer	ZON	Smoking Causes Sail Birth
10.	Pine Prime	0.5		0.3		1.0	Canyon	KING INTERNATIONAL D	SAAT
	Total 10 Total	61.2		51.8		54.2		# 10	
	Other Illegal	5.3]	9.2	[7.8			
	Total Illegal %	66.5		61.0		62.0		PINE	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR N.SEMBILAN Volume contribution to National = 2%

		Aug, 2020	Jul, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	Surya	WARNING	AMARAN
	Illegal Brand	(%)	(%)	(%)	GUDANG GARAM	Smoking Cause Smoking Cause John D-BLEND	Merskok Monyebabkan Kanser Paru-Paru
1.	Gudang Garam	10.7	6.4	6.1	I2 PATRI MITTA COLARTTES MITTA COLARTTES	D-BLEND	
2.	John	8.1	4.9	8.7	# 4	# 5	# 6
3.	A380*	6.0	5.1	2.7	AMARAN	WARNING	AMARAN
4.	U2	5.6	6.4	3.2	Rutus Peryebut Kanser Peru-Para	Smalang Causes Next Cancer	Mercikok Monvebabkan
5.	Canyon	5.0	4.3	5.6	KOX UZ RUL FLANDAR	Canyon	Kelahiran Mati
6.	Misto*	3.4	1.5	-	FILTER CICARETTES	E	
7.	Vson*	1.8	0.3	0.3	# 7	# 8	# 9
8.	Pragon*	1.4	0.2	-	AMARAN	AMARAN	AMARAN
9.	League	1.2	0.3	5.6	Merokok Menyebabkan Kanser Lidah	Mereka Menyebabkan Kelahiran Bagi Pre-Matang	
10.	Luffman	0.9	0.4	0.6	Ilson	Pragon	LEAGUE
	Total 10 Total	44.1	29.8	32.8	20 Film Cycardia	# 10	L
						# 10	
	Other Illegal	2.8	14.3	15.6			
	Total Illegal %	46.9	44.1	48.4		Latthian	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR MELAKA

Volume contribution to National = 3%

		Aug, 2020		Jul, 2020	2019	# 1	# 2	# 3
		SOM		SOM	SOM	WARNING	AMARAN	
	Illegal Brand	(%)		(%)	(%)	Smaking Gueses Prenature Birth John	Merokok Menyebatikan Kanser Panu-Panu	Robal Penyakat Penyakat Cargran
1.	John	13.8		16.2	18.1	D-BLEND		Proma
2.	A380	9.9		0.3	1.3	# 4	# 5	# 6
3.	Promax*	5.2		1.7	2.1	WARNING	AMARAN	Swya
4.	Canyon	4.5		6.2	9.3	Strategy Cause Mark Depart	Merokok Menyebabkan Kanser Paru	
5.	Bosston*	2.9		2.0	2.0	Canyon	BOSSTON	GUDANG GARAM
6.	Gudang Garam	2.2		0.7	2.1	600	E	I2 PLTER HARTER COLARTYES MITE HINDIALDA
7.	9th Century*	1.1		4.3	4.8	# 7	# 8	# 9
8.	M*	0.9		0.5	1.4	AMARAN	AMARAN	AMARAN
9.	Misto*	0.8		1.3	-	Merokok Menyehotikan Kanser Luhar	Merekok Menyebatakan Kansar Paru-Paru	Merokok Menyrebabkan Kelahiran Mati
10.	SOHO*	0.8		0.6	1.3		H	MISTO
	Total 10 Total	42.1		33.8	42.4		# 10	
	<u> </u>		1				AMARAN	
	Other Illegal	8.0		4.8	8.0			
	Total Illegal %	50.1		38.6	50.4		Marokok Manyebabkan Kanser Paru-Paru	

*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

SOHO

TOP 10 ILLEGAL CIGARETTES BRANDS FOR JOHOR

Volume contribution to National = 8%

		Aug, 2020	Jul, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	AMARAN	WARNING
	Illegal Brand	(%)	(%)	(%)	Smoking Causes Neck Cancer Canyon	Robes Persynblat Kanner Peru-Peru 発意発 ひえ	Stricking Causes Premature Birth John
1.	Canyon	8.2	8.6	6.5	PROFILE IN	FULL FLANDUR HUTER COGMETTES	D-BLEND
2.	U2	7.7	10.1	7.2	# 4	# 5	# 6
3.	John	7.5	9.5	6.8	AMARAN	Surya	ABARAN
4.	A380*	3.7	1.0	2.2			and the second
5.	Gudang Garam	3.4	3.4	3.0	Kanser Patu-Patu	GUDANG GARAM	Rokok Penyakat Penyakat Gangten
6.	Promax*	3.4	1.2	2.0		12. PATRIMETER, COLAMETTES MARE RE HOLSMAN	C. so
7.	Bosston*	2.9	1.9	2.0	# 7	# 8	# 9
8.	Misto	1.0	0.7	-	AMARAN	AMARAN	PERINGATAN
9.	L.A.	0.9	0.5	0.6	Merokok Menyebabkan Kanser Paru-Paru	Merokok Menyebabkan Kelahiran Mati	
10.	9 th Century*	0.8	1.2	2.2	BOSSTON	MISTO	LA
	Total 10 Total	39.5	38.1	32.5		# 10	BOLD >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>
	Other Illegal	6.4	8.0	8.6		AMARAN	
	Total Illegal %	45.9	46.1	41.1		Metrokok Menyebabaan Kolahiran Bayi Pra-Matang	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR PAHANG Volume contribution to National = 9%

		Aug, 2020		Jul, 2020	2019	# 1	# 2	# 3
		SOM		SOM	SOM	AMARAN	WARNING	WARNING
	Illegal Brand	(%)		(%)	(%)	Ratas Ranyotati Karser Paru-Paru KOR LJP	Sinchry Causes Principal Birth John D-BLEND	Smoking Causies Neck Cancer Canyon
1.	U2	19.4		24.4	21.2	FULL FLAVOLR RETER CIGARETTES	D-BLEND	
2.	John	17.7		19.7	24.2	# 4	# 5	# 6
3.	Canyon	13.9		10.8	6.0	Swya	FERNÍALAN	State maintenant ;
4.	Gudang Garam	9.6		7.3	3.9			
5.	Diplomat	7.0		4.9	0.1	GUDANG GARAM	IMPACT	an a
6.	Minna	2.3		3.2	-	12 NETER CODUCTES MOTIVE CODUCTES	Pro-	12 HITCH CIGRATTIC
7.	L.A.	1.7		1.9	1.0	# 7	# 8	# 9
8.	Bosston*	1.4		1.2	0.5	PERINGATAN	AMARAN	WARNING
9.	Saat	1.2		0.8	1.4		Mercikok Manyebabkan Kanser Paru-Paru	Smoking Causes Still Birth
10.	Misto*	0.5		0.5	-	LA	BOSSTON	SAAT
	Total 10 Total	74.7		74.7	58.3	BOLD	# 10	
			г			1	# IO	
	Other Illegal	3.3		4.5	19.5		C. C.	
	Total Illegal %	78.0		79.2	77.8]	Merokok Menyebabkan Kelahiran Mati MISTO	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR TERENGGANU Volume contribution to National = 3%

		Aug, 2020	Jul, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	WARNING	AMARAN
	Illegal Brand	(%)	(%)	(%)	Smaking Causes Smaking Gauses John D-BLEND	Smoking Causes Sail Birth	Robert Parry Parry Parry KORA UP
1.	John	29.1	28.0	31.7	D-BLEND	SAAT	FULL FLAVOUR FULL FLAVOUR
2.	Saat	25.6	30.4	27.1	# 4	# 5	# 6
3.	U2	7.1	8.3	5.8	Swrya	WARNING	the care
4.	Gudang Garam	4.5	4.5	4.0		Smoking Gauses Next, Cancer	****
5.	Canyon	1.1	1.4	1.9	GUDANG GARAM	Canyon	Baruhah
6.	Barokah	0.7	0.3	0.3	12 Parter Karter Casartes Mar Haddan		Other, typics
7.	Premium	0.6	2.5	1.5	# 7	# 8	# 9
8.	A380*	0.5	0.5	1.7	P	AMARAN	AMARAN
9.	League	0.5	1.1	1.6	Premium	Monokok Maryebabikan Kanser Paru-Paru	Ridade Pennyeluati Kamorer MAAA
10.	Misto*	0.4	0.1	-	Interactional		LEAGUE
	Total 10 Total	70.1	77.1	75.6	a sentence	# 10	
						AMARAN	
	Other Illegal	2.4	2.6	3.1		C. C.	
	Total Illegal %	72.5	79.7	78.7		Merokok Menyebabkan Kelahiran Mati MISTO	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR KELANTAN Volume contribution to National = 4%

		Aug, 2020		Jul, 2020	2019	# 1	# 2	# 3
		SOM		SOM	SOM	WARNING	Swya	WARNING
	Illegal Brand	(%)		(%)	(%)	Smoking Causes Still Birth	GUDANG GARAM	Smoking Causes Premature Birth
1.	Saat	57.1		67.5	61.6	SAAT	I2 NUTER COMMITTES	John D-BLEND
2.	Gudang Garam	5.9		4.3	4.7	# 4	# 5	#6
3.	John	4.0		1.4	4.4	AMARAN	AMARAN	and a methodal
4.	Concept*	1.6		-	0.7	Mereskin Merupabkan Kanse Labar	RO	NAVY
5.	9 th Century*	0.8		1.2	1.2	CONCEPT		SPECIAL FILTER
6.	Navy	0.7		0.1	0.6		U .	Schechold Technicer
7.	A380*	0.2		1.2	0.6	# 7	# 8	# 9
8.	6 th Sense	0.2		0.5	0.5	AMARAN	AMARAN	PERINGATAN
9.	L.A.	0.2		0.1	-	Merckok Meryebabkan Kanzer Poru-Paru	Rokok Penyebab Kanser Leher	
10.	Canyon	0.1		0.1	0.1			LA
	Total 10 Total	70.8		76.4	74.4		sense # 10	BOLD No. 12 GETTE FORM
			1			- 1	# IU WARNING	
	Other Illegal	0.9		0.9	1.8		No.	
	Total Illegal %	71.7		77.3	76.2		Smoking Gausen Nick Cancer	

*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 SABAH

Volume contribution to National = 10%

		Aug, 2020		Jul, 2020	2019	# 1	# 2	# 3
		SOM		SOM	SOM	SPECIAL BLEND	P	Parametrical Control
	Illegal Brand	(%)		(%)	(%)	**** *A*	Premium	Mpache
1.	Era	49.2		46.5	50.6	ERA		
2.	Premium	29.2		22.9	18.6	# 4	# 5	# 6
3.	Apache	4.6		4.8	1.7		Swryas	0
4.	D&J	1.9		1.2	3.1			1.AX
5.	Gudang Garam	1.2		1.3	0.5	\$	GUDANG GARAM	UNERTHOL LIGHTS
6.	L.A.	1.2		1.9	3.5	CONTRACTOR OF A MARKET AND A MARK	12 Pilton Karter Colamittes Moter Hoddarda	****** *******
7.	Che	0.4		6.5	0.5	# 7	# 8	# 9
8.	Astro	0.2		-	0.0*	AMARAN		WARNING
9.	Canyon	0.2		-	0.3	Mercikok Menyebabkan Kanase Loher	ASTRO	Smoking Causies Next-Cancer
10.	John	0.2		0.1	0.2	Ehe-	*	Canyon
	Total 10 Total	88.3		85.2	79.0	Chie	# 10	68
	04h e m 111 1	0.7	1			l i	WARNING	
	Other Illegal	0.7		0.9	2.0		CNE T	
	Total Illegal %	89.0		86.1	81.0		Smaling Causes Premicre Brit D-BLEND	

*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.

n

TOP 10 ILLEGAL CIGARETTES BRANDS FOR SARAWAK

Volume contribution to National = 4%

		Aug, 2020	Jul, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	SPECIAL BLEND	AMARAN	MARAY
	Illegal Brand	(%)	(%)	(%)	*** *E*	Hard and Annual Annua	Ridek Peryokab Keguguran Jarih
1.	Era	33.1	25.2	28.2		PARKWAY	FULL FLAVOR America Blad
2.	Parkway	17.7	18.2	17.1	# 4	# 5	#6
3.	Rave	8.5	7.5	7.9	- A	Angin D&J	P
4.	L.A.	5.9	7.9	9.7	, Ai		Constant of
5.	D&J	3.9	4.4	3.6	WI FITHOU LIGHTS	Ŷ	Remium
6.	Premium	2.4	3.2	2.4	NUTER FUTERS	LECT FLUE	a martine
7.	Gudang Garam	2.3	1.0	1.1	# 7	# 8	# 9
8.	D-Gi	2.1	4.4	3.0	Swryas	۵	AMARAN
9.	S Super	1.6	1.2	1.5	GUDANG	D-GI	Nirrokok Moryebaldan Kelataran Bayi Pra-Malang
10.	Vess	0.8	2.1	2.9	GUDANG GARAM 12 NUTRO COMPTENS MORTOCOMPTENS MORTOCOMPTENS		
	Total 10 Total	78.3	75.1	77.4		# 10	ипессити
] [,		# 10	
	Other Illegal	6.7	9.1	8.7			
	Total Illegal %	85.0	84.2	86.1		VESS Menthul	

APPENDIX: NIELSEN'S ICS RESEARCH OBJECTIVE & METHODOLOGY



RESEARCH OBJECTIVES



Identify the incidence & trend of illegal cigarettes in Malaysia & at State Level

Identify the illegal brands available in Malaysia and at State Level

Identify the level of compliance vs. non-compliance on cigarette packs

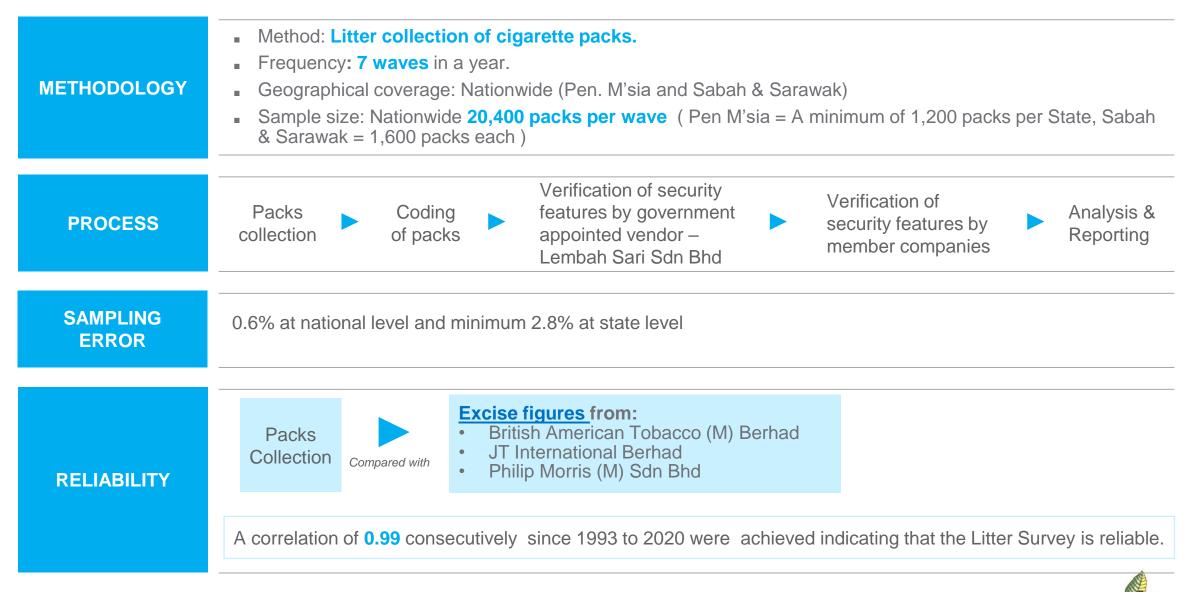
- Security features (Tax Stamps)
- Brands of Local Manufacturers and Importers registered with Royal Malaysian Customs П.
- III. Mandated Labeling Requirements (under Control of Tobacco Product Regulations, Trade Description Act, Price Control & Anti Profiteering Act)

1

2

3

OVERVIEW OF STUDY FRAMEWORK



ICS RESEARCH METHODOLOGY AND DESIGN

i. ICS Universe, Sample Size

- ii. Sampling Coverage Of ICS and Fieldwork
- iii. Coding Processes
- iv. Data Processing
- v. Weighting The Survey Data



WHY SAMPLE SIZE OF 51,000 PACKS?

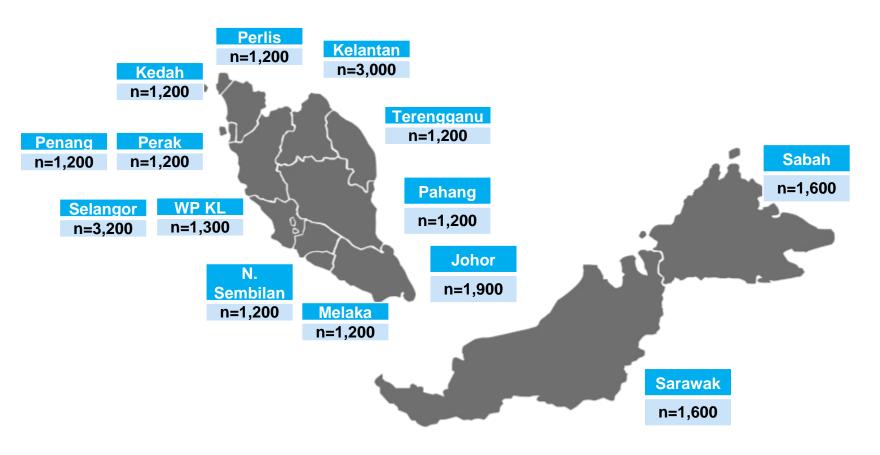
Sample Size (n=)	Sampling Error @ 95% Confidence
n=50	14.9%
n=100	9.9%
n=250	5.9%
n=500	4.1%
n=1,000	2.8%
n=2,000	2.0%
n=3,000	1.6%
n=4,000	1.4%
n=10,000	0.8%
n=20,000	0.6%
n=50,000	0.4%

- The data accuracy for a sample size is dependent on the sample size of a study; Sampling error declines as sample size for a study is increased
- To ensure minimal sampling error at National level, sample size of n=20,000 was chosen
- At State level, a minimum sample size of n=1,200 was chosen to optimize data accuracy without impacting the efficiency of fieldwork turnaround time.



GEOGRAPHICAL COVERAGE & SAMPLE SIZE FOR EACH STATE

- State in Pen Malaysia, minimum sample size n=1,200
- State in East Malaysia, sample size n=1,600
- These sample size are robust taking into consideration geographical landscape, different cigarettes volume pattern and efficient turnaround of fieldwork





ICS RESEARCH METHODOLOGY AND DESIGN

- i. ICS Universe, Sample Size
- ii. Sampling Coverage Of ICS and Fieldwork
- iii. Coding Processes
- iv. Data Processing
- v. Weighting The Survey Data



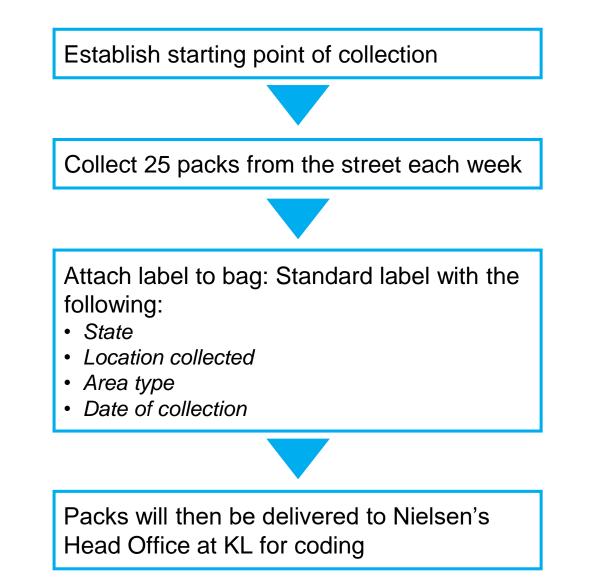
SAMPLING COVERAGE OF ICS

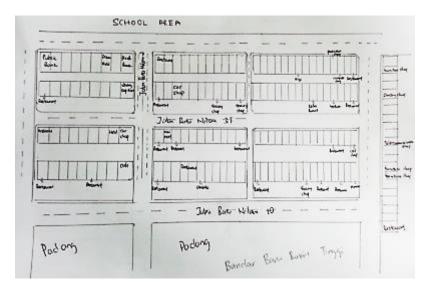
Perlis Kangar	
Kedah Kuala Muda Kota Setar Kulim	
Kubang Pasu Baling Pendang	
Penang Timur Laut Seberang Perai Tengah Seberang Perai	Utara
Perak Kinta Larut & Matang Manjung Hilir Perak Kerian	
Selangor Petaling Ulu Langat Klang	
Gombak Kuala Langat	
WP KL Spread across KL	
N. SembilanSerembanJempolPort Dickson	
Tampin	
Melaka Melaka Alor Gajah	
Johor Johor Bahru Batu Pahat Kluang	
Solidi BalluBallu PallatRuangKulai JayaMuarKota Tinggi	
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······································	
Terengganu Kuala Terengganu Kemaman Dungun	
Besut	
Kelantan Kota Bharu Pasir Mas Tumpat	
Bachok Tanah Merah	
Sabah Kota Kinabau Tawau Sandakan	
Lahad Datu Keningau Semporna	
Papar Penampang Beluran	
Tuaran Ranau Kota Belud	
Sarawak Kuching Miri Sibu	
Bintulu Serian Samarahan	
Sri Aman Sarikei Kapit	
Bau Limbang Saratok	

- Nationwide
- All 13 states in Peninsular and East Malaysia and KL Federal Territory
- Covers each state's top 50% most populous districts
- The sampling approach ensure both Urban & Rural coverage reflects data released by Malaysia Department of Statistic (Census 2010)



FLOW CHART FOR PRE-FIELDWORK AND FIELDWORK







GUIDELINES FOR PACK COLLECTION

- All Packs collected from the collection points must be in decent condition. If not Lembah Sari Sdn. Bhd. will not be able to validate the authenticity of a pack if the packs are so badly damaged that certain key elements are missing
- Instruction to collectors is to collect pack in decent condition.
- No instruction on brand restriction is issued (hence, <u>rejection of packs in poor condition applies to all</u> brands)
- As such, collectors will have no preference on the packs being collected as long as it is in decent condition ٠
- Remuneration for packs collected are standard across all pack type / brand



Visual Examples of Unacceptable Packs



ICS RESEARCH METHODOLOGY AND DESIGN

- ICS Universe, Sample Size i.
- Sampling Coverage Of ICS and Fieldwork ii.

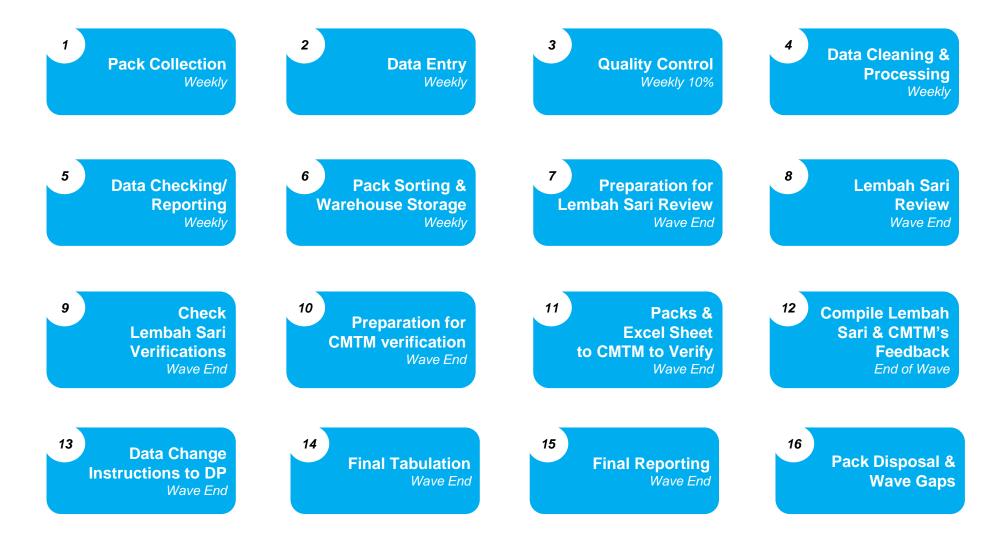
iii. Coding Processes

- **Data Processing** iv.
- Weighting The Survey Data ν.



A ROBUST SOP FOR PACK VERIFICATION & CODING PROCESS

The following diagram illustrates the pack verification & coding process





CODING AND STORAGE PROCESS AT NIELSEN HQ



1. Packs which arrive at Nielsen HQ are assigned a unique pack ID number

1 stat	-
Yest V	
System No	50322
Pack No	
State	Selangor
Date collected	13/8/2011
Area	Wawasan Ampang
Address	Jin Wawasan 4
Collection area	

A unique ID is assigned to each pack when it reach Nielsen HQ

Each cigarettes pack which arrive will have a sticker with details on when and where it is collected





CODING AND STORAGE PROCESS AT NIELSEN HQ



2. Once the pack ID number is assigned, data entry process will begins. All information on the pack will be captured 3. When data entry is completed, the packs are sorted by brands and types





CODING AND STORAGE PROCESS AT NIELSEN HQ

4. Once the sorting is complete, the cigarettes packs are stored on shelves with labeling for easy retrieval when required



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
 - I. Pack Size other than 20 sticks
 - II. 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



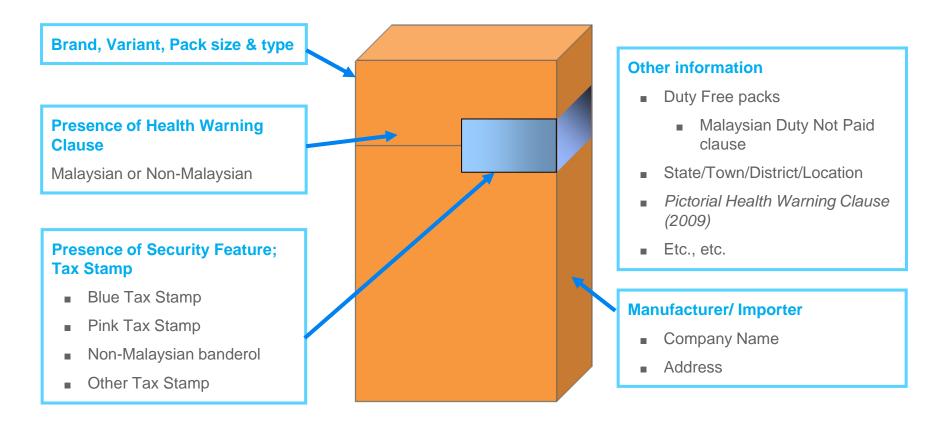
REGULATIONS SET BY THE MALAYSIA GOVERNMENT

- All locally manufactured cigarettes and imported cigarettes are required to meet the following criteria:
 - Registered brand with Customs
 - Registered manufacturer with Customs
 - **Registered importer** with Customs (if it is an imported pack)
 - Malaysian labeling requirements i.e. pictorial health warning clause, textual health warning clause, "no sales to under 18" clause, manufacturing date, name and address on manufacturer/importer
 - Pack size of not less than 20 sticks
- Additional security features for imported / manufactured packs for <u>domestic</u> consumption: •
 - Blue tax stamp
- Additional security features for imported / manufactured packs for <u>duty free</u> consumption: •
 - Pink tax stamp



VISIBLE ELEMENTS CAPTURED IN ICS

The following visible elements is checked & coded / captured for each of the collected packs by Nielsen Malaysia



Information on registered brands, registered manufacturers/ Importers is provided by CMTM

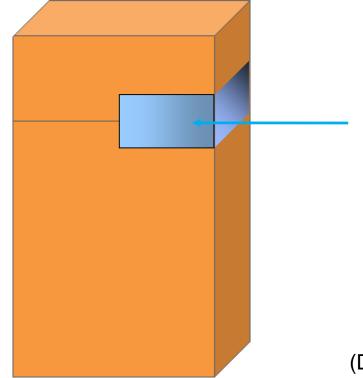
VERIFICATION OF SECURITY TAX STAMP

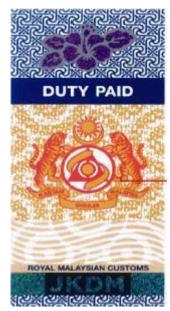
- Tax Stamps are verified by Lembah Sari using the special reader/tool
- Verification outcome: sign off by Lembah Sari & Nielsen as witness

1					٠	
	A	В	С	D	G	Н
1	Loca	al Manufact	F = Fake	X - N	lo ink	G50 = genuine security ink, DF/MY - fake (tamp
2	No	Pack ID	Brand	Pack Size		Remarks (by LSSB)
3		System			Security Ink	Other Comments
10	- 7	30720	John	20	F	
11	8	111197	John	20	F	
12	- 9	110215	John	20	F	
13	10	101121	John	20	F	
14	11	40885	John	20	F	
15	12	40782	John	20	F	
16	13	121022	John	20	F	
17	14	100613	John	20	F	
18	- 15	121195	John	20	F	
19	16	110975	John	20	F	
20	17	60734	John	20	F	
21	18	110977	John	20	F	
22	19	41164	John	20	F	
23	20	40784	John	20	F	
24	21	40689	John	20	F	
25	22	40788	John	20	F	
26	23	40711	John	20	F	
27	24	1093B	John	20	F	
28	25	41090	John	20	F	
29	26	40662	John	20	F	
30	27	40996	John	20	F	
31	28	4167	John	20	F	
32	29	111168	John	20	F	
33	30	41032	John	20	F	
34	31	40639	John	20	F	
35	32	120799	John	20	F	
36	33	40843	John	20	F	
37	24	4088	John	20	F	
14 4		I Template	e - BATM 🔏 Temp	ate - PMI 🏒	Template - JTI 🌔	Template - RMC Importer), Template - ELPC /



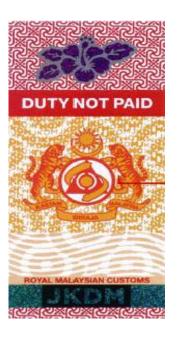
VERIFICATION OF SECURITY TAX STAMP





OR

Blue Tax Stamp (Domestic Market)

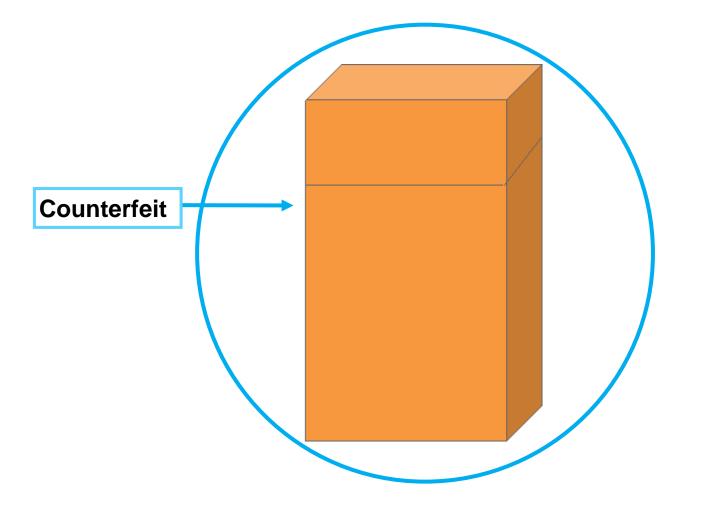


Pink Tax Stamp (Duty Free Market)



VERIFICATION OF NON-VISIBLE ELEMENTS

- Only applicable to CMTM members' brands
- Verification by the respective member companies' technical experts
- Pack IDs of identified Counterfeit packs are given to Nielsen Malaysia





ICS RESEARCH METHODOLOGY AND DESIGN

- i. ICS Universe, Sample Size
- ii. Sampling Coverage Of ICS and Fieldwork
- iii. Coding Processes
- iv. Data Processing
- v. Weighting The Survey Data



DATA PROCESSING (DATA CLEANING & MERGING)

- Software program to ensure data accuracy
- Logic checks on brand and manufacturers
- Security feature verification results merged into data file

	TEST Windows Internet Explorer as00.000/0005.com	
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Project Prosper Q1 2012 - TEST		
C Holest Hosper Qs 2012 - Test		
		_
	Manufacturer nome	
	O LOCAL MANUFACTURERS - Tobacco Importers & Manufacturers Sdn. End.	
	O JT International Tobacco Sdr. Brd.	
	O Philip Monia Malaysia Sdn. Bhd.	
	O AIGM Sdn. Bhd. / AIG Manufacturer Sdn. Bhd.	
	🔘 Aneka Karya Jaya	
	O Global Tobacco Manufacturers / Hyeap Seng Sdn. Bhd.	
	O Golden Globe Cigarette Sdn. Bhd.	
	O Modem Tebacco Co. Sch. Dhd.	
	C TCTM & Co. Sdn. Bhd. / Tai Chong Tobacco Manufacturers & Company Sdn. Bhd.	
	O Volkan Sdr. Hnd	
	C RMC REGISTERED IMPORTERS - Commercial Marketers & Distributor Sdn. Bhd	
	O Tobacco Importers & Manufacturer Sdn. Blid.	
	O. Philps Monis Sdn. Bhd.	
	C DKSH Marketing Services Sdn. Bhd.	
	О JT International Tobacco Sch. Bhd.	
	O Ultico Marketing Sdn. Bhd.	
	O Azion Trade Sdn. Bhd.	
	O Brocce Resources Son. Bhd.	
	O Cergasjeya Sdn Ehd	
	O CST Trading (Langkawi) Sdn. Bhd.	
	O DEHT Marketing Sdn. Bhd.	
	O DFZ Duty Free Supplies Sdn. Blid.	
	C Etton (M) Sdn. Ehd.	
	O Five Sun Tradin Sch. Bhd.	
	A Constant of the	

Control of Response List by Researchers

- Data entry can only input data as per the response list provided
- Any new information to be added to the response list is subject to Research Team approval
- Research Team will review and validate the new details before adding in any new response into the system



DATA PROCESSING (QUALITY CONTROL)

11.21		4 ,								
A1	+	∱ 'responseid								
A	В	E	F	G	н		J	K	L	М
1 respon	nsei respid	Q5. Wave	Q6. Month	Q9. State	Q10. Loca	C8. Stratu	r Q13, Spec		Q26, Regi	
2 1	24003	Wave 3, Week 33: 03/10/20	. Oct-12	Johar	Johor:- Ba	Urban	Johor, Bar	Taman Bo	South [Joh	Dunhill Re
3 2	3	Wave 3. Week 33: 03/10/20	0 ct-12	Perís	Perlis: Ko	Urban	Perlis, Kor	Jalan Ara	North Per	Peter Stuy
4 3	36003	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah:-K	Urban	Sabah, Ko	Likas - To	EastMala	Dunhill Re
5 4	10	Wave 3, Week 33: 03/10/20	0ct-12	Perís	Perlis: Ko	Urbon	Perlis, Kor	Jalan Ara	North [Per	Dunhill Re
6 5	36039	Wave 3, Week 33: 03/10/20	0ct-12	Sabah	Sabah:-K	Urban	Jin Pasar	Jalan Pas	East Mala	Dunhill Re
7 6	36004	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sebeh: K	Urben	Sebeh, Ko	Likes - To	East Mala	Winstan R
8 7	24004	Wave 3. Week 33: 03/10/20	0 ct-12	Johor	Johor-Ba	Urban	Johor, Ber	Taman Bo	South [Joh	Dunhill Re
9 8	24005	Wave 3, Week 33: 03/10/20	Dct-12	Johar	Johor:-Ba	Urban	Johor, Bar	Taman Bo	South [Joh	Dunhill Re
10 9	36005	Wave 3. Week 33: 03/10/20	0 ot-12	Sabah	Sebeh: K	Urban	Sebeh, Ko	Likes-To	East Mala	Dunhill Me
11 10	24006	Wave 3, Week 33: 03/10/20	Oct-12	Johar	Johor - Ba	Urban	Johor, Bar	Taman Bo	South [Jot	Dunhill Re
12 11	36040	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Soboh: K	Urbon	Jin Pasar	Jalan Pas	East Mala	Dunhill Me
13 12	36006	Wave 3, Week 33: 03/10/20	0ct-12	Sabah	Sabah:-K	Urban	Sabah, Ko	Likes - To	East Mala	Gudang G
14 13	36007	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sebeh:-K	Urben	Sebeh, Ko	Likes - To	East Mala	Gudang G
15 14	3078	Wave 3. Week 33: 03/10/20	0 ct-12	Kedah	Kedah: A	Urban	Jalan Peg	Jalan Peo	North (Per	Marlboro (
16 15	36041	Wave 3, Week 33: 03/10/20	Dct-12	Sabah	Sabah:-K	Urban	Jin Pasar	Jalan Pas	East Mala	Dunhill Me
17 16	24007	Wave 3. Week 33: 03/10/20	0 ot-12	Johar	Johor:- Ba	Urbon	Johor, Bar	Toman Bo	South [Joh	Winston R
18 17	24008	Wave 3, Week 33: 03/10/20	Oct-12	Johar	Johor - Ba	Urban	Johor, Bar	Taman Bo	South [Jot	Winston B
19 18	36042	Wave 3, Week 33: 03/10/20	Oct-12	Soboh	Soboh: K	Urbon	Jin Pasar	Jalan Pas	East Mala	Premium 8
20 19	36008	Wave 3, Week 33: 03/10/20	0ct-12	Sabah	Sabah:-K	Urban	Sabah, Ko	Likes-To	East Mala	Gudang G
21 20	36009	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sebeh:-K	Urben	Sebeh, Ko	Likes - To	East Mala	Gudang G
22 21	4	Wave 3. Week 33: 03/10/20	0 ct-12	Peris	Perlis: Ke	Urban	Perlis, Kar	Jalan Ara	North (Per	Salem Me
23 22	3079	Wave 3, Week 33: 03/10/20	Dct-12	Kedah	Kedah:-A	Urban	Jalan Peg	Jalan Peg	North [Per	Marlborg (
24 23	36010	Wave 3. Week 33: 03/10/20	0 oct-12	Sabah	Sebeh: K	Urbon	Sebeh, Ko	Likes-To	East Mala	Marlbora P
25 24	36043	Wave 3, Week 33: 03/10/20	0ct-12	Sabah	Sabah:-K	Urban	Jin Pasar	Jalan Pas	East Mala	Premium 8
26 25	36011	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Soboh: K	Urbon	Soboh, Ko	Likes - To	East Mala	Ero Premi
27 26	36044	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah:-K	Urban			East Mala	
28 27	24009	Wave 3, Week 33: 03/10/20	Oct-12	Johar	Johor:- Ba	Urban	Johor, Bar	Taman Bo	South [Joh	Winstan R
29 28	3080	Wave 3, Week 33: 03/10/20	0 ct-12	Kedah	Kedah: A	Urban	Jalan Peg	Jalan Peo	North Per	Marlboro (
30 29	5	Wave 3, Week 33: 03/10/20	Dct-12	Peris	Perlis:-Ka	Urban	Perlis, Kar	Jalan Ara	North [Per	Marlboro R
31 30	24010	Wave 3, Week 33: 03/10/20	0 oct-12	Johar	Johor:- Bo	Urbon	Johor, Bar	Toman Be	South [Joh	Winstan R
32 31	36045	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah:-K	Urban	Jin Pasar	Jalan Pas	East Mala	Premium 8
33 32	3081	Wave 3, Week 33: 03/10/20	Oct-12	Kedah	Kedah: A	Urbon			North Per	
24 200	Dec 40	LU ALLI LOS ORMONO	0.140	0.1.1	O L L M	1.1.1	1.0	11.0	E	D 1 2

10% of data entered into the database will be crosscheck by a QC personnel to ensure data accuracy and coders are capturing the data correctly

QC personnel will randomly select 10% of packs which has been keyed into the system, cross-compare to ensure pack features is similar to what has been recorded in the system and rectify the data

Besides completing a 10% physical QC check, the database is reviewed to check for data discrepancy against known facts

- E.g. Dunhill belongs to BAT M'sia ,
- Legal packs comes only in pack size of 20s

If any data discrepancies are detected, the affected pack will be extracted and a physical validation process will be undergone



ICS RESEARCH METHODOLOGY AND DESIGN

- i. ICS Universe, Sample Size
- ii. Sampling Coverage Of ICS and Fieldwork
- iii. Coding Processes
- iv. Data Processing
- v. Weighting The Survey Data



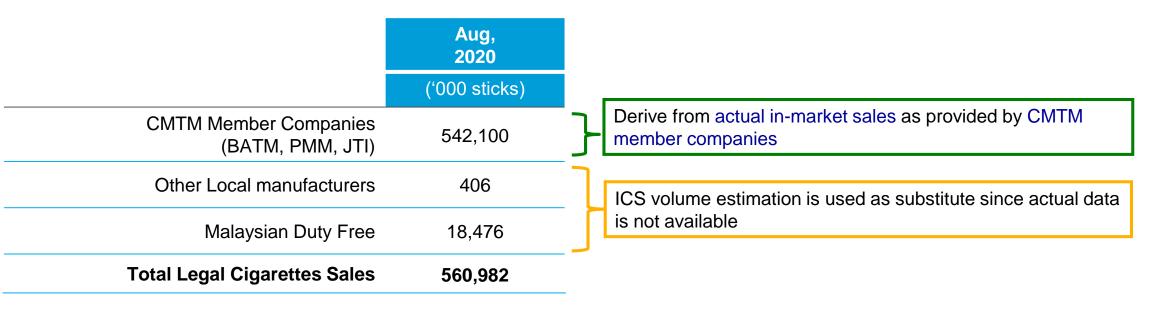
Why apply Weighting to Survey Data?

- A weighting process is used to determine the total estimated cigarettes volume pattern of an individual state
- If weighting is not done, then:
 - All states in Peninsular are assumed to have equal volumes of total cigarettes volume
 - Perlis with a smaller population will be over represented and Selangor, with a bigger population will be under represented
 - Sabah and Sarawak, combined would represent about 16% (8,000 of 51,000 packs) of total cigarettes volume in Malaysia, which in reality is less than 10%.



Step 1: Establish the Estimated Legal Industry Volume

- The estimated legal industry volume is established based on the following information:
 - In-market sales as provided independently by British American Tobacco Malaysia (BATM), Philip Morris Malaysia (PMM) and Japan Tobacco International (JTI)
 - Local manufacturers' volume from Nielsen's Retail Audit
 - Malaysian Duty Free volume from Illicit Cigarettes Study (ICS)



Unit of measurement : thousand sticks



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HOW DOES NIELSEN WEIGHT THE DATA?

Step 2: Establish the Legal Industry Volume contribution by State

• Using Nielsen Retail Audit as a guideline, establish each states' legal volume contribution towards the national volume of 560,982,000 sticks

	NIELSEN RETAIL AUDIT	STATE'S LEGAL VOLUME CONTRIBUTION		(Using Retail A	•				
PERLIS	1,522	0.3%	State Legal Volume Contribution = <u>State's Retail Audit Volume</u> National Volume						
KEDAH	15,386	3.5%	(e.g. 129,145 / 440,194 = 29.3%)						
PENANG	27,855	6.3%							
PERAK	28,320	6.4%	-			STATE'S LEGAL	PROJECTED/		
SELANGOR	129,145	29.3%			NIELSEN RETAIL AUDIT	VOLUME	ESTIMATED STATE LEGAL		
WP KL	63,429	14.4%				CONTRIBUTION	VOLUME		
N.SEMBILAN	19,271	4.4%		SELANGOR	129,145	29.3%	164,582		
MELAKA	21,731	4.9%							
JOHOR	73,733	16.8%		NATIONAL	440,194		560,982		
PAHANG	21,392	4.9%		Stop 2b					
TERENGGANU	9,344	2.1%		<u>Step 2b</u> Projecte	ed States Legal V	olume			
KELANTAN	13,965	3.2%	= State Legal Volume Contribution X National Legal Volume (derived from Retail Audit) (obtained from Step 1)						
SABAH	9,699	2.2%							
SARAWAK	5,403	1.2%	-	(e.g. 29.	.3% x 560,982 = 10	64,582)			
NATIONAL	440,194		_						



Step 2: Key Output

	NIELSEN RETAIL AUDIT	STATE'S LEGAL VOLUME CONTRIBUTION	PROJECTED/ ESTIMATED STATE LEGAL VOLUME
PERLIS	1,522	0.3%	1,939
KEDAH	15,386	3.5%	19,608
PENANG	27,855	6.3%	35,498
PERAK	28,320	6.4%	36,091
SELANGOR	129,145	29.3%	164,582
WP KL	63,429	14.4%	80,834
N.SEMBILAN	19,271	4.4%	24,559
MELAKA	21,731	4.9%	27,694
JOHOR	73,733	16.8%	93,965
PAHANG	21,392	4.9%	27,262
TERENGGANU	9,344	2.1%	11,907
KELANTAN	13,965	3.2%	17,797
SABAH	9,699	2.2%	12,361
SARAWAK	5,403	1.2%	6,885
NATIONAL	440,194		560,982



Step 3: Establish the Incidence for Legal / Illegal Cigarettes

- Convert the data from "packs collected " to "sticks" (based on pack size)
- The study's unit of measurement is based on consumption in sticks
 - Though CTPR prohibits the sales of cigarettes below the pack sizes of 20 sticks, **illegal cigarettes** (primarily for illegal kretek) could still be found **in pack sizes below 20 sticks**
 - The calculation based on number of packs collected will create a false inflation on illegal volume due to the presence of packs sizes below 20 sticks

State	Total packs collected (Aug'20)	Number of legal packs collected	(Unweighted) Volume of legal packs collected	Number of illegal packs collected	(Unweighted) Volume of illegal packs collected	Total volume (Legal + Illegal)	Incidence of legal cigarettes	Incidence of illegal cigarettes
			А		В	C = A + B	D = A / C	E = B / C
SELANGOR	2,400	947	18,940	1,453	26,002	44,942	42.1%	57.9%
			Step 3a. Sum up the number of sticks per pack for all legal packs collected to establish the estimated legal volume in sticks		Step 3b. Repeat Step 3a to establish the estimated illegal volume in sticks	Step 3c. Sum up the total consumption for both lega and illegal to establish The estimat total cigarett volume at state level	Calc ratio n estin al vs. il volur ed	nated legal legal

Step 3: Incidence for Legal / Illegal Cigarettes Key Output

• Establish the level of legal vs. illegal cigarettes ratio in each respective state

State	Total packs collected (Aug'20)	Number of legal packs collected	(Unweighted) Volume of legal packs collected	Number of illegal packs collected	(Unweighted) Volume of illegal packs collected	Total volume (Legal + Illegal)	Incidence of legal cigarettes	Incidence of illegal cigarettes
			Α		В	C = A + B	D = A / C	E = B / C
PERLIS	1,200	387	7,740	813	14,386	22,126	35.0%	65.0%
KEDAH	1,200	381	7,620	819	15,436	23,056	33.0%	67.0%
PENANG	1,200	569	11,380	631	11,772	23,152	49.2%	50.8%
PERAK	1,200	731	14,620	469	9,176	23,796	61.4%	38.6%
SELANGOR	3,200	1,040	20,800	2,160	39,793	60,593	34.3%	65.7%
WP KL	1,300	413	8,260	887	16,370	24,630	33.5%	66.5%
N.SEMBILAN	1,200	599	11,980	601	10,575	22,555	53.1%	46.9%
MELAKA	1,200	591	11,820	609	11,874	23,694	49.9%	50.1%
JOHOR	1,900	1,015	20,300	885	17,223	37,523	54.1%	45.9%
PAHANG	1,200	243	4,860	957	17,230	22,090	22.0%	78.0%
T'GANU	1,200	320	6,400	880	16,906	23,306	27.5%	72.5%
KELANTAN	1,200	327	6,540	873	16,560	23,100	28.3%	71.7%
SABAH	1,600	172	3,440	1,428	27,892	31,332	11.0%	89.0%
SARAWAK	1,600	233	4,660	1,367	26,408	31,068	15.0%	85.0%



Step 4: Project Total Market Volume

• Once each states' estimated legal volume and legal incidence have been established, the numbers will be used to project total industry volume for each state

	STATE LEGAL VOLUME	LEGAL INCIDENCE	TOTAL MARKET VOLUME	STATE ILLEGAL VOLUME
	А	В	C = A / B	D = C - A
SELANGOR	164,582	34.3%	479,449	314,867
				. ,

Step 4a.

Based on the incidence for legal cigarettes of 42.1% in Selangor, project the total volume for the state (e.g. 164,582 divide by 34.3% = 479,449)

Step 4b.

Illegal volume is established by subtracting the projected total state's volume with the legal volume (e.g. 479,449 – 164,582 = 314,867)



Step 4: Key Output - Illegal Cigarettes Incidence @ National level

• Repeat the same process in Step 4 for all States

	STATE LEGAL VOLUME	LEGAL INCIDENCE	TOTAL MARKET VOLUME	STATE ILLEGAL VOLUME
PERLIS	1,939	35.0%	5,544	3,604
KEDAH	19,608	33.0%	59,329	39,721
PENANG	35,498	49.2%	72,218	36,721
PERAK	36,091	61.4%	58,744	22,652
SELANGOR	164,582	34.3%	479,449	314,867
WP KL	80,834	33.5%	241,033	160,199
N.SEMBILAN	24,559	53.1%	46,237	21,679
MELAKA	27,694	49.9%	55,514	27,820
JOHOR	93,965	54.1%	173,686	79,722
PAHANG	27,262	22.0%	123,913	96,651
TERENGGANU	11,907	27.5%	43,361	31,454
KELANTAN	17,797	28.3%	62,860	45,064
SABAH	12,361	11.0%	112,582	100,222
SARAWAK	6,885	15.0%	45,902	39,017
NATIONAL	560,982		1,580,375	1,019,393

Divide National Illegal Volume 1,019,393 with National Total Market Volume 1,580,375 64.5%



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