

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:

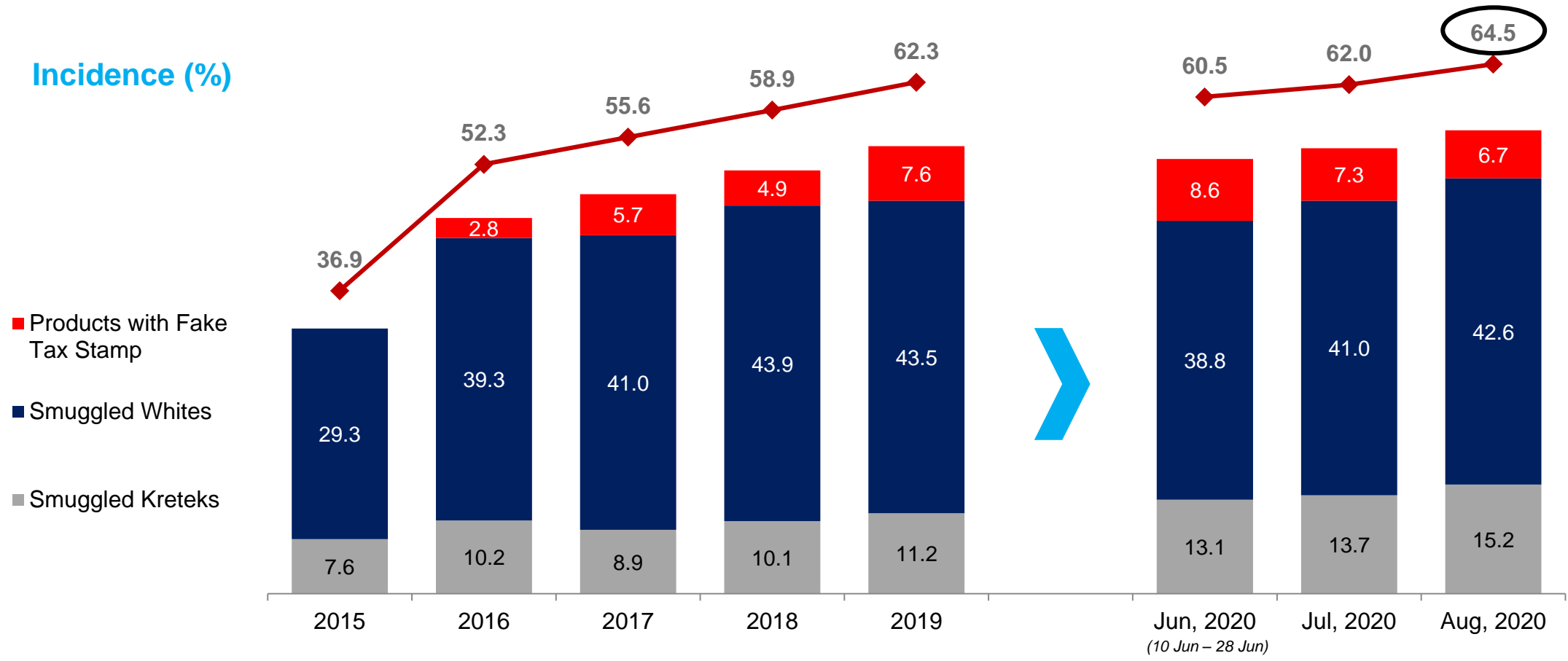
1. Absence of Registered Importers
2. Unregistered Importers*
3. Absence of Registered Manufacturers
4. Unregistered Manufacturers*
5. Packs with counterfeit (fake) Malaysian tax stamp**
6. Packs without Malaysian tax stamp
7. Packs with non-Malaysian tax stamp
8. Unregistered Brand*
9. Non Compliance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

ILLEGAL CIGARETTES INCIDENCE AT NATIONAL LEVEL:

Overall increased by 2.5 ppt. vs. Jul, 2020



Volume (Billions sticks)

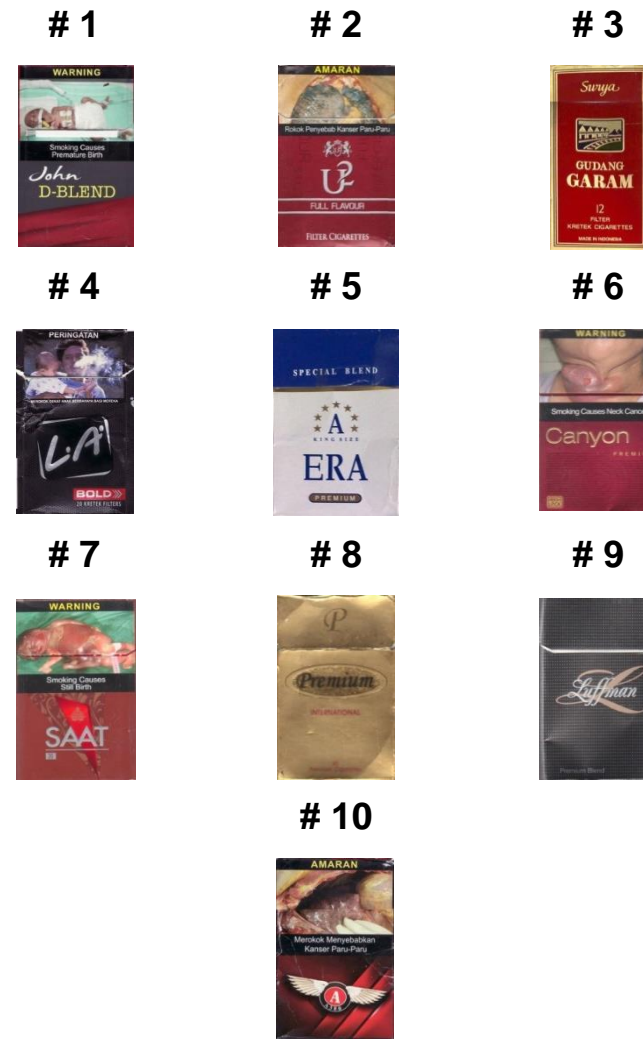
	2015	2016	2017	2018	2019	Jun, 2020 (10 Jun - 28 Jun)	Jul, 2020	Aug, 2020
Illegal Cigarettes	7.1	10.1	11.1	12.0	12.2	1.0	1.0	1.0
Estimated Total industry	19.2	19.3	20.0	20.4	19.5	1.6	1.6	1.6
Incidence	36.9%	52.3%	55.6%	58.9%	62.3%	60.5%	62.0%	64.5%



TOP 10 ILLEGAL CIGARETTES BRANDS*

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

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	13.9	13.0	14.2
2.	U2	8.6	8.3	5.3
3.	Gudang Garam	6.0	5.7	6.0
4.	LA	5.7	4.6	3.6
5.	Era	4.5	3.2	4.4
6.	Canyon	4.0	3.8	4.5
7.	Saat	3.4	5.1	4.9
8.	Premium	2.2	1.4	1.5
9.	Luffman	1.9	1.6	1.3
10.	A380*	1.7	1.5	0.9
Total 10 Total		51.9	48.2	46.6
Other Illegal		12.6	13.8	15.7
Total Illegal %		64.5	62.0	62.3

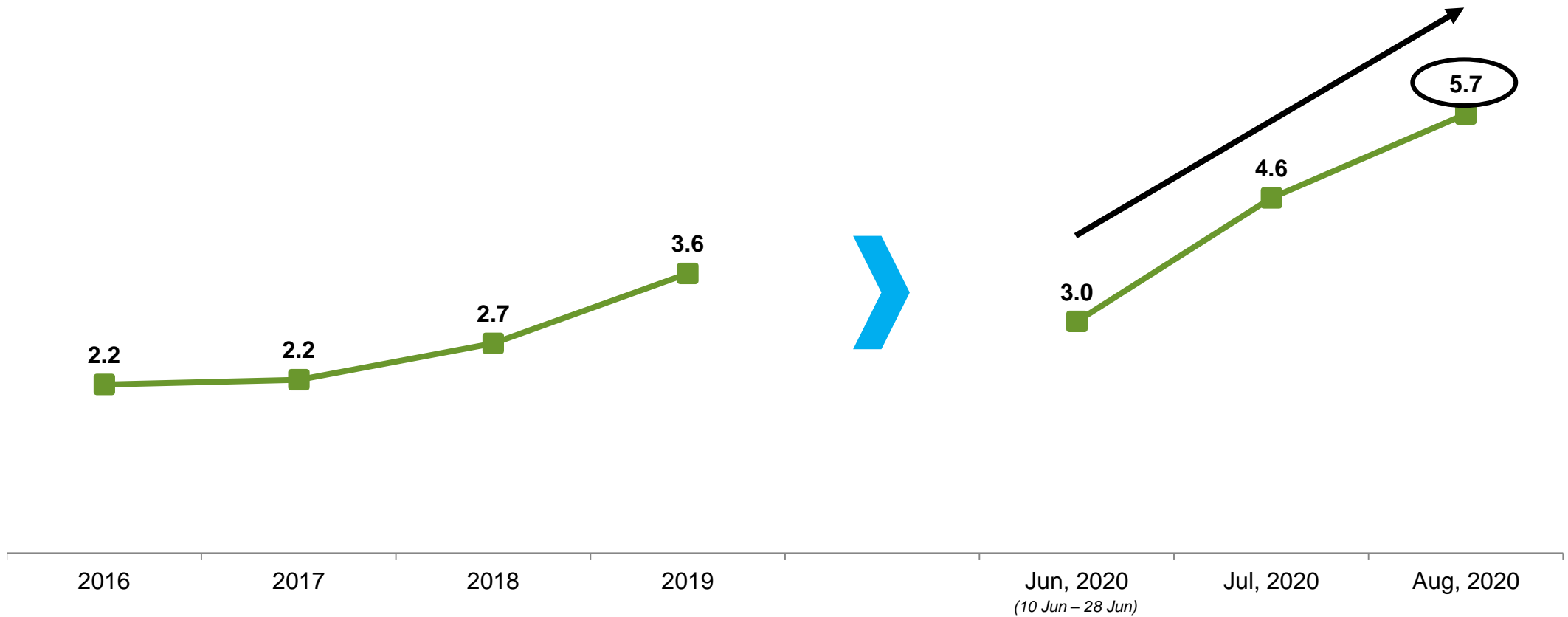


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

ILLEGAL L.A. GROWTH TREND

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

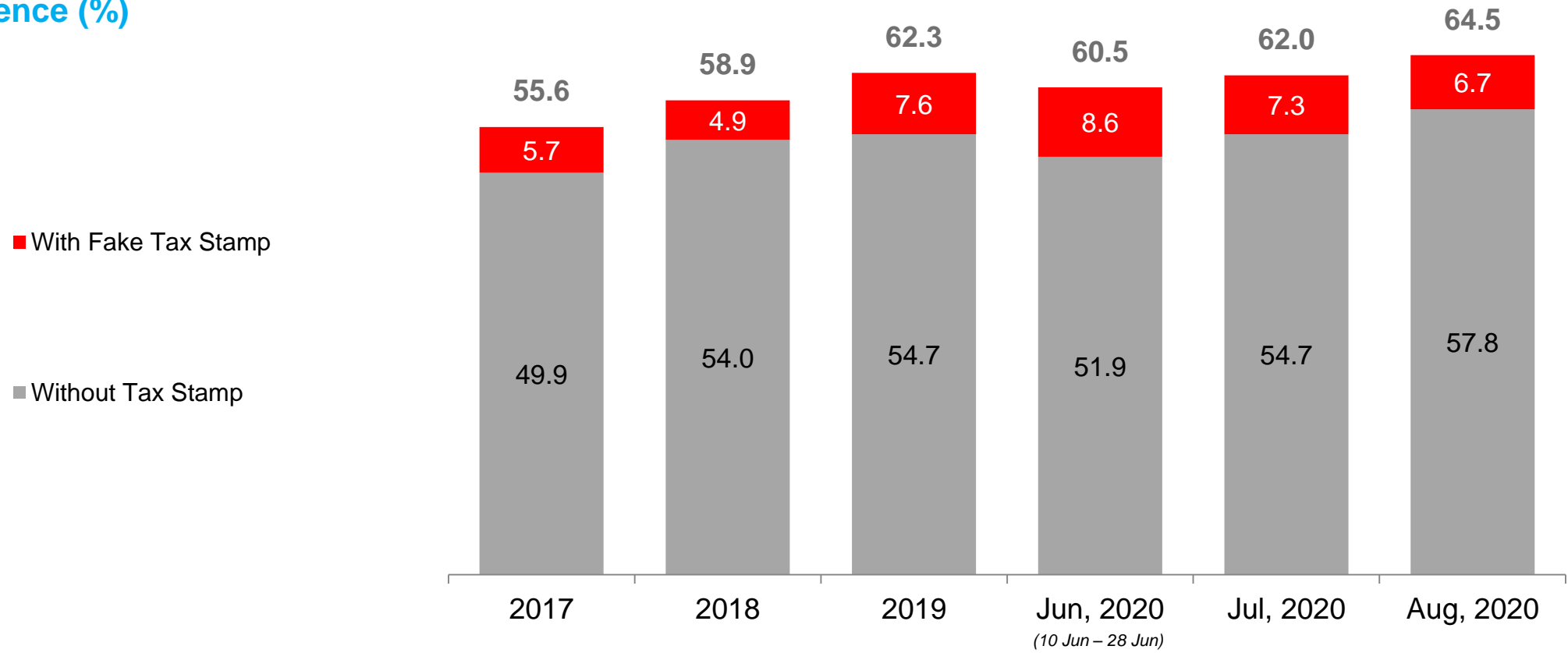
■ LA Illegal Incidence



TAX STAMP BREAKDOWN OF ILLEGAL CIGARETTES:

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

Incidence (%)



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

Global Tobacco Manufacturer :



Incidence (%) 0.5 1.7 0.4



Incidence (%) 0.1 0.7 0.1

Azion Trade :



Incidence (%) 0.5

Zeno DFSC :



Incidence (%) 0.0** 0.8 0.6

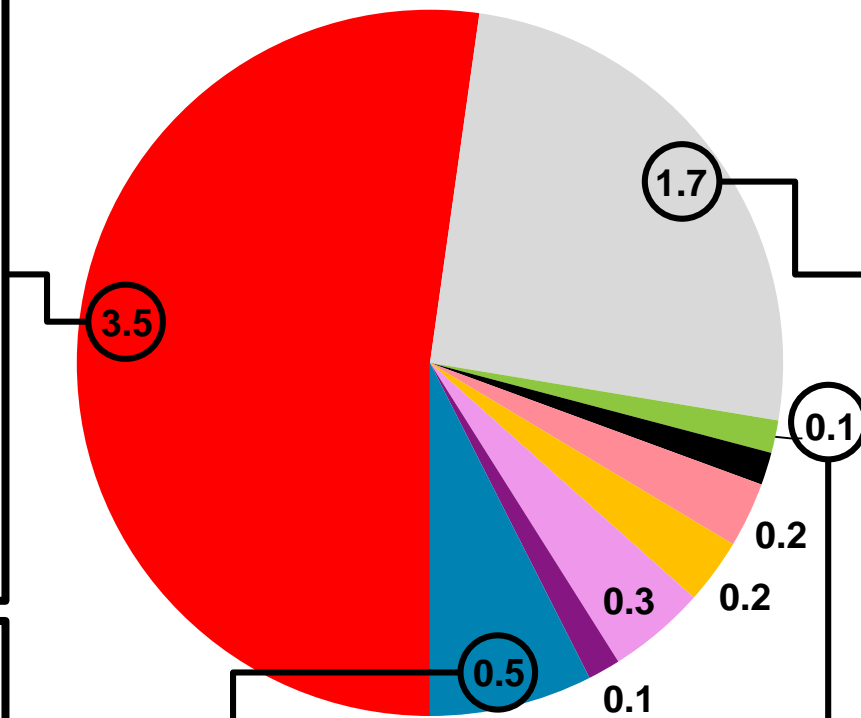


Incidence (%) 0.3 0.0**

Five Sun Trading :



Incidence (%) 0.1



- Global Tobacco Manufacturers
- Five Sun Trading
- VTI Marketing
- Legasi Jutawan Venture
- Azion Trade
- Zeno DFSC
- P.U Gemilang
- Urus Cepat
- Bintang Ori Mkt

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

FAKE TAX STAMP BREAKDOWN BY MANUFACTURERS / IMPORTERS:

Legasi Jutawan Venture :

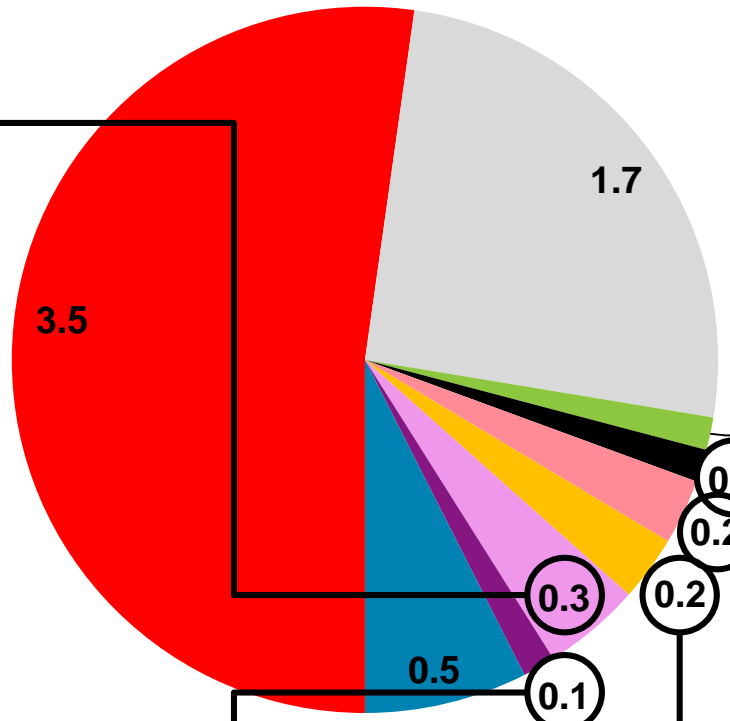


Incidence (%) 0.2 0.0**

Bintang Ori Mkt :



Incidence (%) 0.1



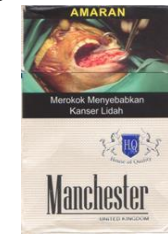
- Global Tobacco Manufacturers
- Five Sun Trading
- VTI Marketing
- Legasi Jutawan Venture
- Azion Trade
- Zeno DFSC
- P.U Gemilang
- Urus Cepat
- Bintang Ori Mkt

P.U. Gemilang :



Incidence (%) 0.1

VTI Marketing :



Incidence (%) 0.2

Urus Cepat :



Incidence (%) 0.1 0.1

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

ILLEGAL CIGARETTES INCIDENCE BY STATES:

8 States recording an increase vs. Jul, 2020

	A				B				A minus B				Volume Contribution
	Aug, 2020				Jul, 2020				Variance (Aug'2020 vs. Jul'2020)				
	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%

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



ILLEGAL CIGARETTES INCIDENCE BY STATES:

8 States recording an increase vs. 2019

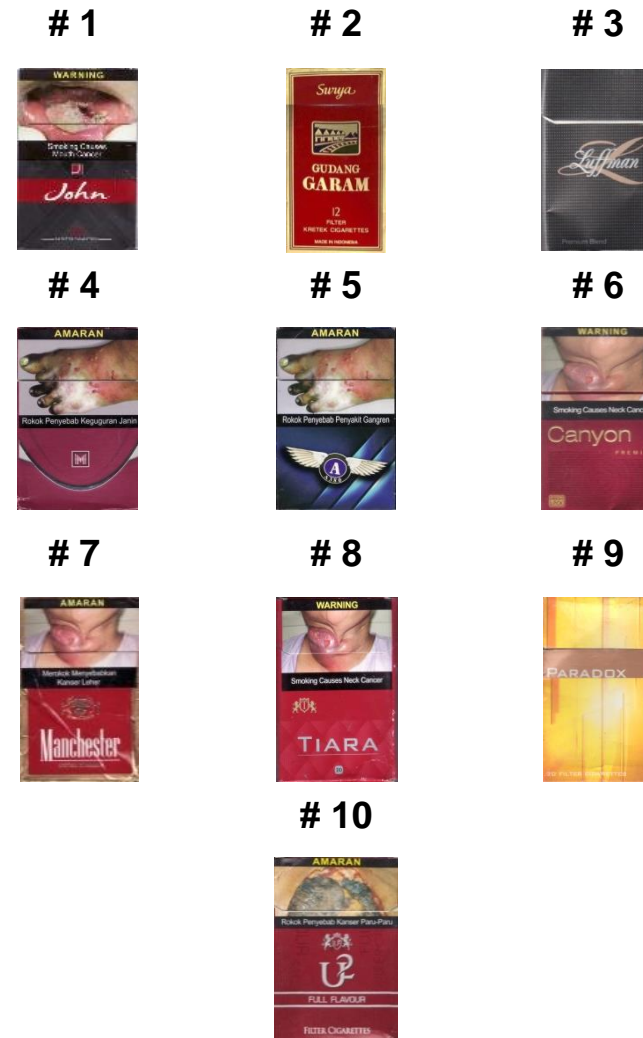
	A				B				A minus B				Volume Contribution
	Aug, 2020				2019				Variance (Aug'2020 vs. 2019)				
	Total Illegal	Fake Tax Stamp	Smuggled Whites	Smuggled Kretek	Total Illegal	Fake Tax Stamp	Smuggled Whites	Smuggled Kretek	Total Illegal	Fake Tax Stamp	Smuggled Whites	Smuggled Kretek	
Sabah	89.0	0.0	81.7	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%

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

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.)

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	41.9	38.9	24.8
2.	Gudang Garam	13.0	7.8	7.0
3.	Luffman	2.7	-	0.4
4.	M*	2.3	2.6	0.2
5.	A380*	1.8	1.3	3.6
6.	Canyon	1.5	0.5	0.2
7.	Manchester*	0.5	1.0	2.1
8.	Tiara	0.3	-	0.0*
9.	Paradox	0.2	-	-
10.	U2	0.2	0.3	1.3
Total 10 Total		64.4	52.4	39.6
Other Illegal		0.6	2.7	3.2
Total Illegal %		65.0	55.1	42.8



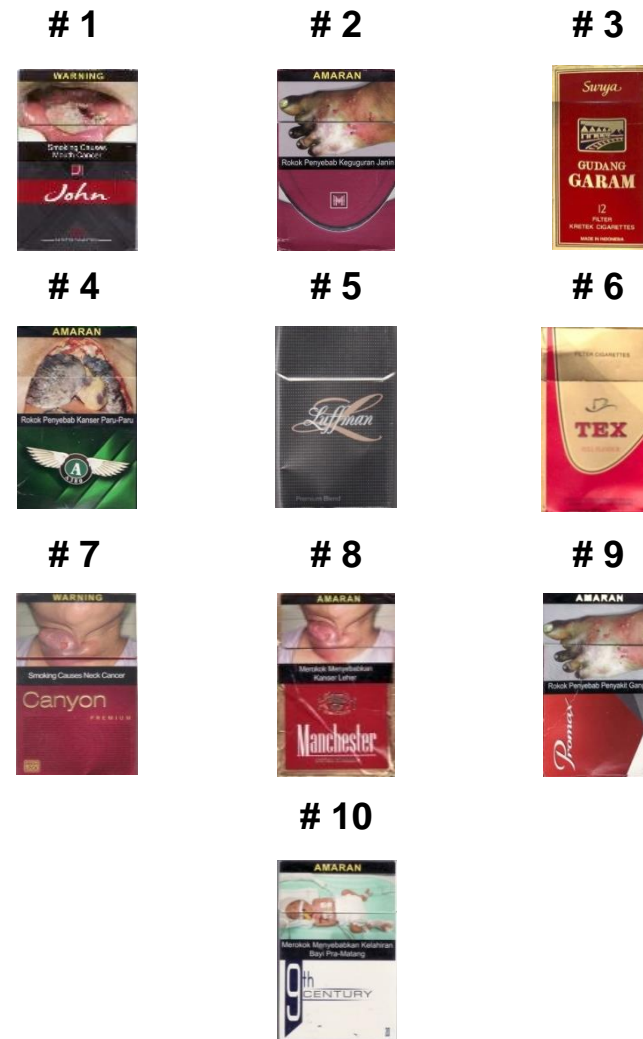
*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

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%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	39.4	39.4	33.1
2.	M*	6.5	5.4	1.8
3.	Gudang Garam	6.4	4.9	7.3
4.	A380*	3.2	3.4	2.5
5.	Luffman	2.1	2.7	0.9
6.	Tex	1.1	0.9	1.8
7.	Canyon	1.0	0.6	0.2
8.	Manchester*	0.9	1.6	2.7
9.	Promax*	0.9	0.8	0.5
10.	9 th Century*	0.7	0.4	0.6
Total 10 Total		62.2	60.1	51.4
Other Illegal		4.8	6.5	8.2
Total Illegal %		67.0	66.6	59.6

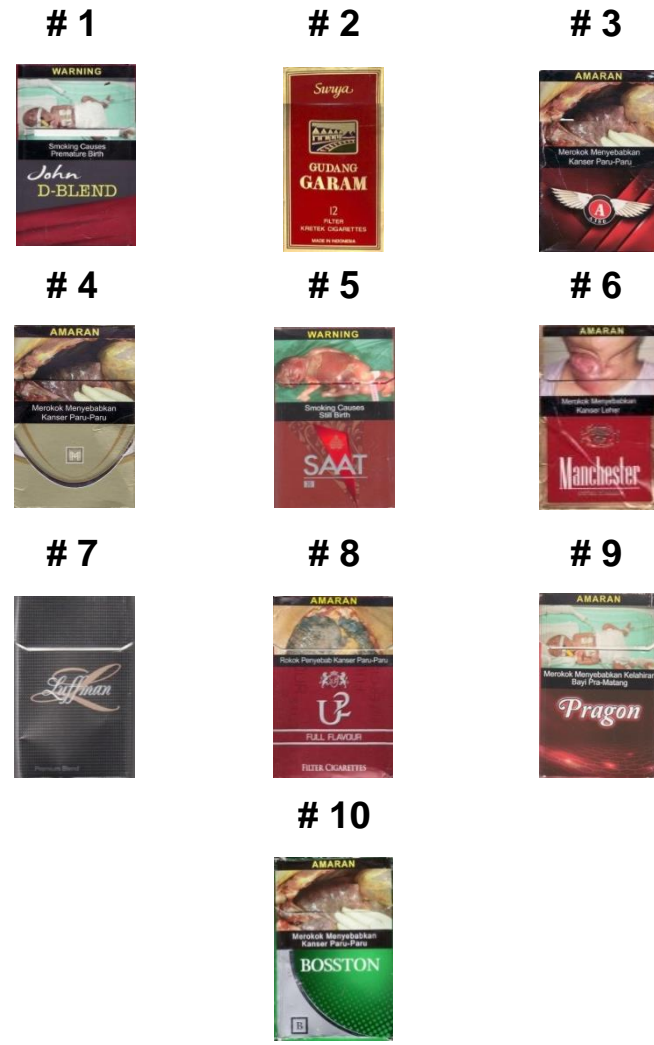


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

TOP 10 ILLEGAL CIGARETTES BRANDS FOR PENANG

Volume contribution to National = 4%

		Aug, 2020	Jul, 2020	2019
		SOM	SOM	SOM
Illegal Brand		(%)	(%)	(%)
1.	John	24.0	24.0	25.7
2.	Gudang Garam	5.6	6.2	4.6
3.	A380*	3.5	3.2	4.2
4.	M*	2.2	2.4	3.3
5.	Saat	2.1	2.0	3.3
6.	Manchester*	2.0	4.5	2.5
7.	Luffman	1.3	1.1	0.7
8.	U2	1.3	1.0	0.5
9.	Pragon*	1.2	0.6	-
10.	Bosston*	1.0	1.1	0.5
Total 10 Total		44.2	46.1	45.3
Other Illegal		6.6	8.4	10.0
Total Illegal %		50.8	54.5	55.3

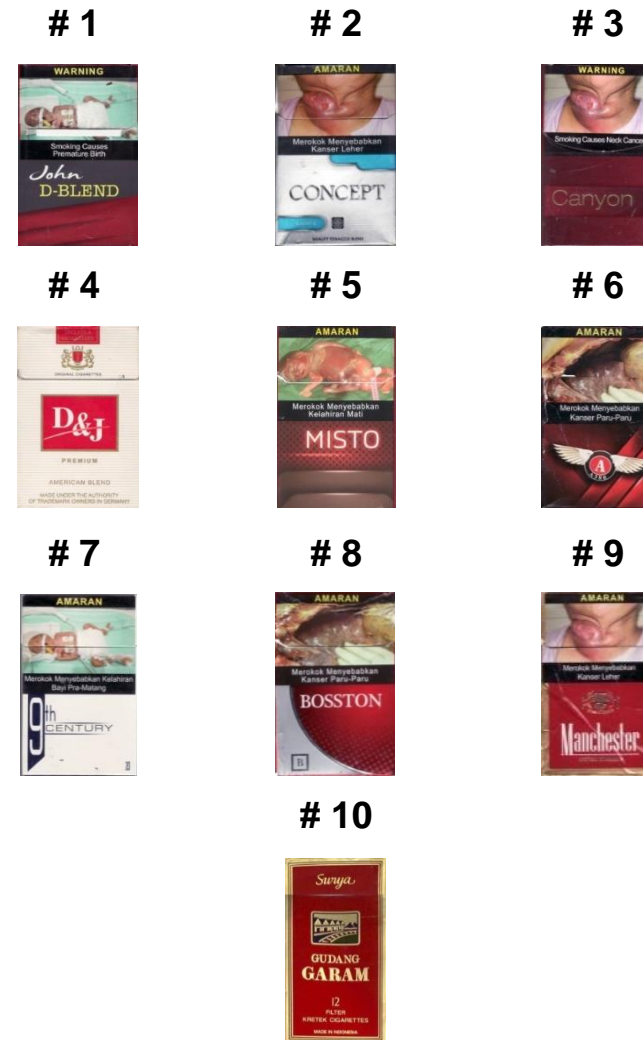


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

TOP 10 ILLEGAL CIGARETTES BRANDS FOR PERAK

Volume contribution to National = 2%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	9.2	8.6	10.3
2.	Concept*	3.8	1.7	2.8
3.	Canyon	3.5	3.8	3.3
4.	D&J	2.6	3.5	3.1
5.	Misto*	2.2	2.3	-
6.	A380*	2.1	3.9	1.6
7.	9th Century*	2.0	2.5	1.8
8.	Bosston*	1.8	1.9	0.3
9.	Manchester*	1.4	2.2	1.3
10.	Gudang Garam	1.4	1.0	1.4
Total 10 Total		30.0	31.4	25.9
Other Illegal		8.6	9.1	11.7
Total Illegal %		38.6	40.5	37.6

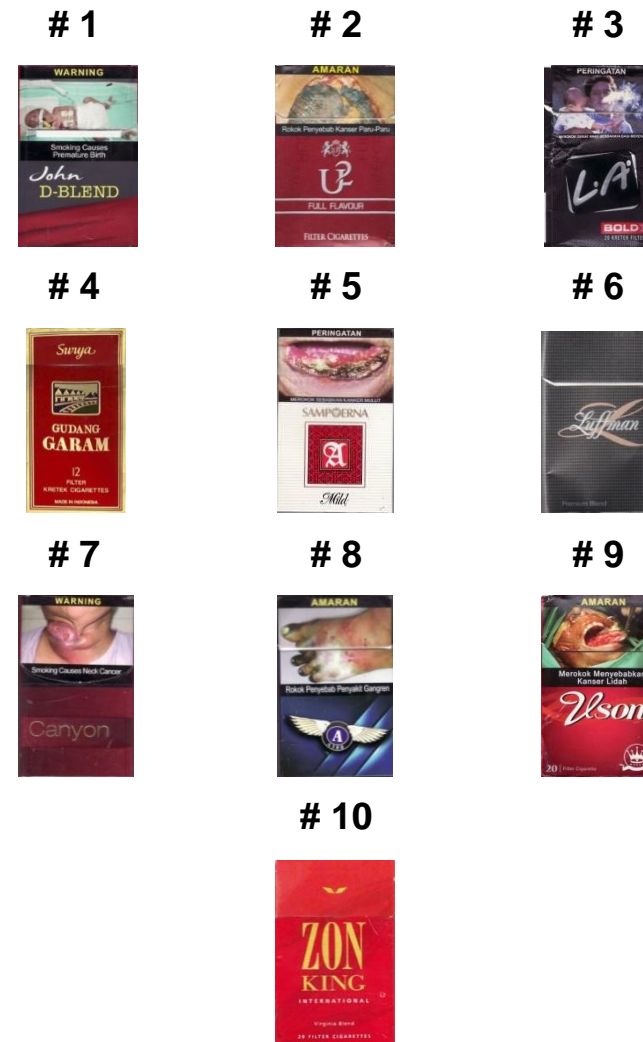


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

TOP 10 ILLEGAL CIGARETTES BRANDS FOR SELANGOR

Volume contribution to National = 31%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	15.4	11.4	14.4
2.	U2	12.1	9.4	5.6
3.	L.A.	10.6	9.2	7.0
4.	Gudang Garam	7.7	8.4	9.8
5.	Sampoerna	3.4	3.3	1.4
6.	Luffman	3.4	2.8	2.7
7.	Canyon	3.4	3.0	4.8
8.	A380*	1.6	2.1	0.8
9.	Vson*	1.2	0.3	0.3
10.	Zon King	1.2	1.3	5.0
Total 10 Total		60.0	51.2	51.8
Other Illegal		5.7	8.8	12.0
Total Illegal %		65.7	60.0	63.8

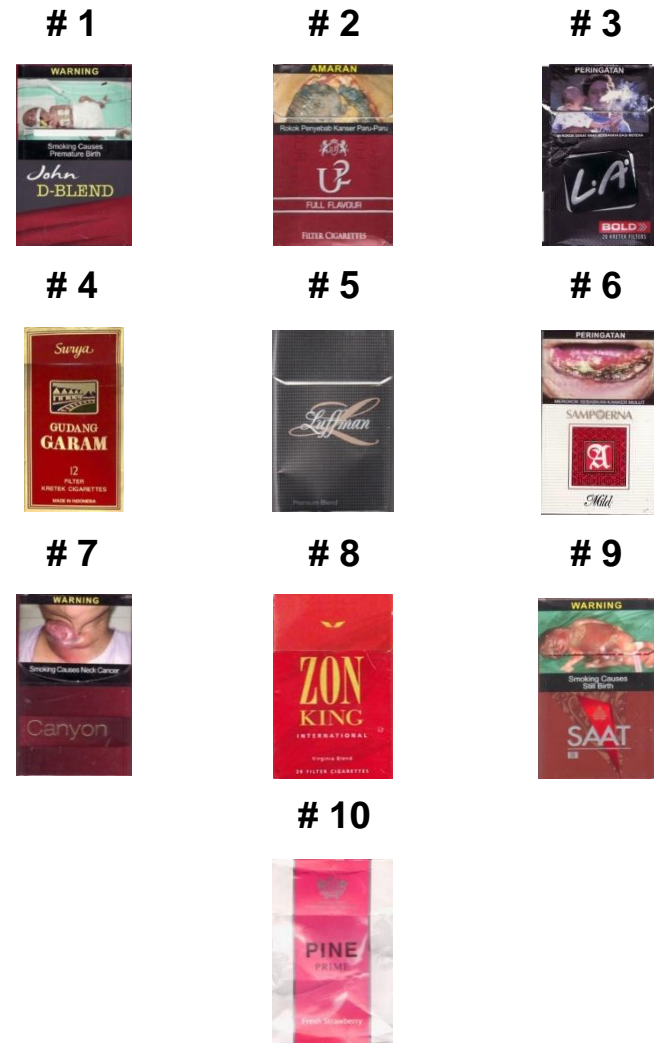


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

TOP 10 ILLEGAL CIGARETTES BRANDS FOR WP KL

Volume contribution to National = 16%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	14.6	12.6	15.5
2.	U2	13.9	11.2	5.6
3.	L.A.	12.5	8.6	6.9
4.	Gudang Garam	6.8	6.7	8.2
5.	Luffman	4.3	3.2	2.8
6.	Sampoerna	4.1	4.1	1.4
7.	Canyon	2.4	3.0	5.0
8.	Zon King	1.5	1.5	6.0
9.	Saat	0.6	0.6	1.8
10.	Pine Prime	0.5	0.3	1.0
Total 10 Total		61.2	51.8	54.2
Other Illegal		5.3	9.2	7.8
Total Illegal %		66.5	61.0	62.0



*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

TOP 10 ILLEGAL CIGARETTES BRANDS FOR N.SEMBILAN

Volume contribution to National = 2%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	Gudang Garam	10.7	6.4	6.1
2.	John	8.1	4.9	8.7
3.	A380*	6.0	5.1	2.7
4.	U2	5.6	6.4	3.2
5.	Canyon	5.0	4.3	5.6
6.	Misto*	3.4	1.5	-
7.	Vson*	1.8	0.3	0.3
8.	Pragon*	1.4	0.2	-
9.	League	1.2	0.3	5.6
10.	Luffman	0.9	0.4	0.6
Total 10 Total		44.1	29.8	32.8
Other Illegal		2.8	14.3	15.6
Total Illegal %		46.9	44.1	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%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	13.8	16.2	18.1
2.	A380	9.9	0.3	1.3
3.	Promax*	5.2	1.7	2.1
4.	Canyon	4.5	6.2	9.3
5.	Bosston*	2.9	2.0	2.0
6.	Gudang Garam	2.2	0.7	2.1
7.	9th Century*	1.1	4.3	4.8
8.	M*	0.9	0.5	1.4
9.	Misto*	0.8	1.3	-
10.	SOHO*	0.8	0.6	1.3
Total 10 Total		42.1	33.8	42.4
Other Illegal		8.0	4.8	8.0
Total Illegal %		50.1	38.6	50.4

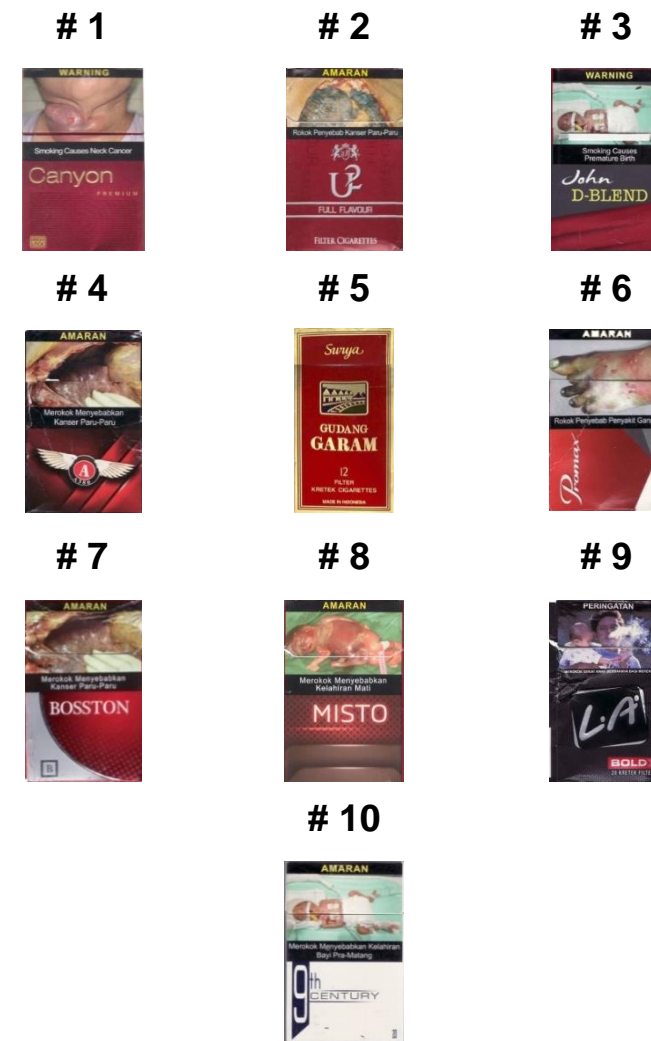


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

TOP 10 ILLEGAL CIGARETTES BRANDS FOR JOHOR

Volume contribution to National = 8%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	Canyon	8.2	8.6	6.5
2.	U2	7.7	10.1	7.2
3.	John	7.5	9.5	6.8
4.	A380*	3.7	1.0	2.2
5.	Gudang Garam	3.4	3.4	3.0
6.	Promax*	3.4	1.2	2.0
7.	Bosston*	2.9	1.9	2.0
8.	Misto	1.0	0.7	-
9.	L.A.	0.9	0.5	0.6
10.	9 th Century*	0.8	1.2	2.2
Total 10 Total		39.5	38.1	32.5
Other Illegal		6.4	8.0	8.6
Total Illegal %		45.9	46.1	41.1

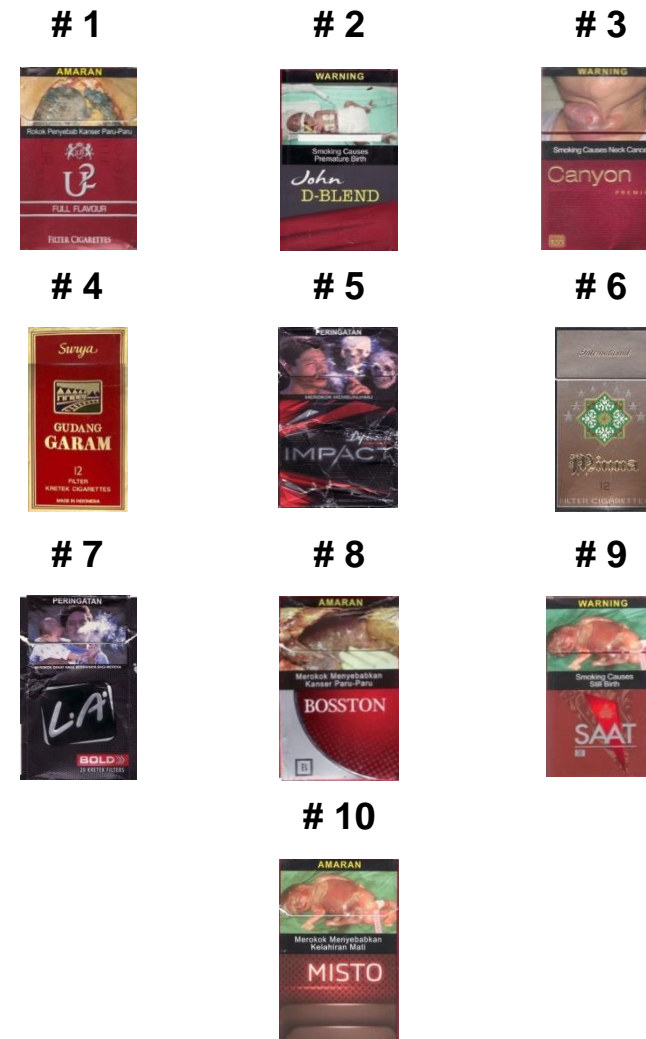


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

TOP 10 ILLEGAL CIGARETTES BRANDS FOR PAHANG

Volume contribution to National = 9%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	U2	19.4	24.4	21.2
2.	John	17.7	19.7	24.2
3.	Canyon	13.9	10.8	6.0
4.	Gudang Garam	9.6	7.3	3.9
5.	Diplomat	7.0	4.9	0.1
6.	Minna	2.3	3.2	-
7.	L.A.	1.7	1.9	1.0
8.	Bosston*	1.4	1.2	0.5
9.	Saat	1.2	0.8	1.4
10.	Misto*	0.5	0.5	-
Total 10 Total		74.7	74.7	58.3
Other Illegal		3.3	4.5	19.5
Total Illegal %		78.0	79.2	77.8

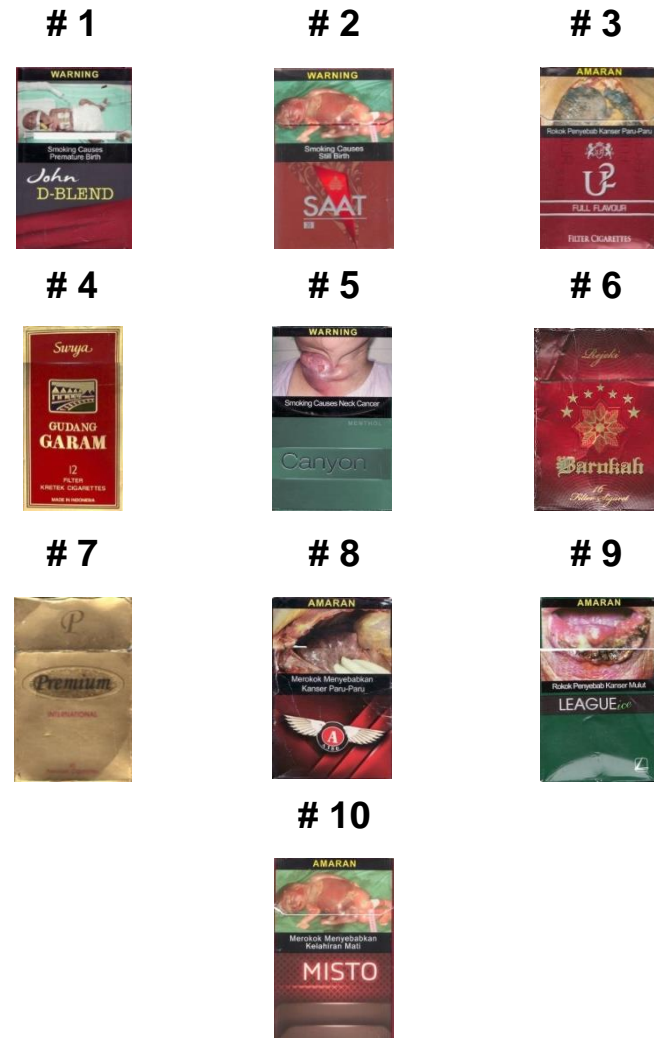


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

TOP 10 ILLEGAL CIGARETTES BRANDS FOR TERENGGANU

Volume contribution to National = 3%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	John	29.1	28.0	31.7
2.	Saat	25.6	30.4	27.1
3.	U2	7.1	8.3	5.8
4.	Gudang Garam	4.5	4.5	4.0
5.	Canyon	1.1	1.4	1.9
6.	Barokah	0.7	0.3	0.3
7.	Premium	0.6	2.5	1.5
8.	A380*	0.5	0.5	1.7
9.	League	0.5	1.1	1.6
10.	Misto*	0.4	0.1	-
Total 10 Total		70.1	77.1	75.6
Other Illegal		2.4	2.6	3.1
Total Illegal %		72.5	79.7	78.7

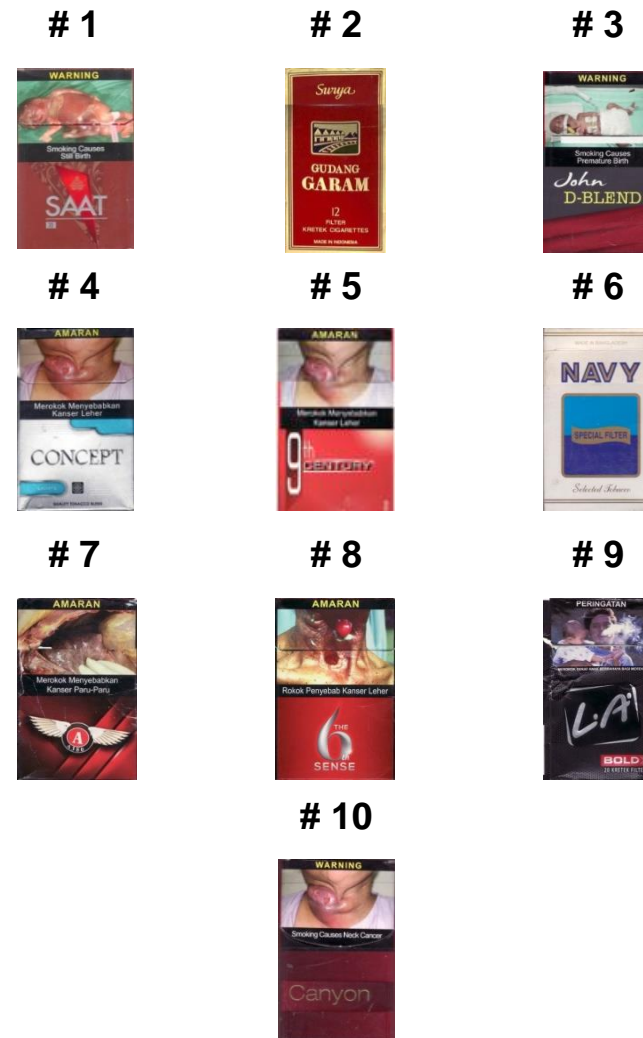


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

TOP 10 ILLEGAL CIGARETTES BRANDS FOR KELANTAN

Volume contribution to National = 4%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	Saat	57.1	67.5	61.6
2.	Gudang Garam	5.9	4.3	4.7
3.	John	4.0	1.4	4.4
4.	Concept*	1.6	-	0.7
5.	9th Century*	0.8	1.2	1.2
6.	Navy	0.7	0.1	0.6
7.	A380*	0.2	1.2	0.6
8.	6th Sense	0.2	0.5	0.5
9.	L.A.	0.2	0.1	-
10.	Canyon	0.1	0.1	0.1
Total 10 Total		70.8	76.4	74.4
Other Illegal		0.9	0.9	1.8
Total Illegal %		71.7	77.3	76.2

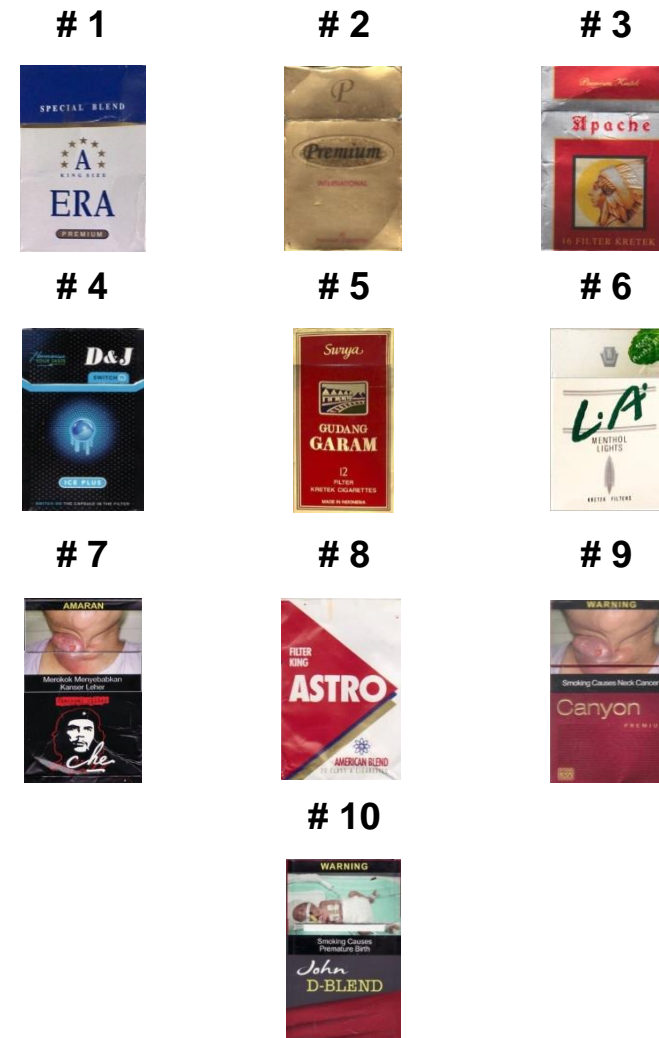


*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise
 0.0%** Incidence is less than 0.1%; figure is too small to feature.

TOP 10 ILLEGAL CIGARETTES BRANDS FOR SABAH

Volume contribution to National = 10%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	Era	49.2	46.5	50.6
2.	Premium	29.2	22.9	18.6
3.	Apache	4.6	4.8	1.7
4.	D&J	1.9	1.2	3.1
5.	Gudang Garam	1.2	1.3	0.5
6.	L.A.	1.2	1.9	3.5
7.	Che	0.4	6.5	0.5
8.	Astro	0.2	-	0.0*
9.	Canyon	0.2	-	0.3
10.	John	0.2	0.1	0.2
Total 10 Total		88.3	85.2	79.0
Other Illegal		0.7	0.9	2.0
Total Illegal %		89.0	86.1	81.0



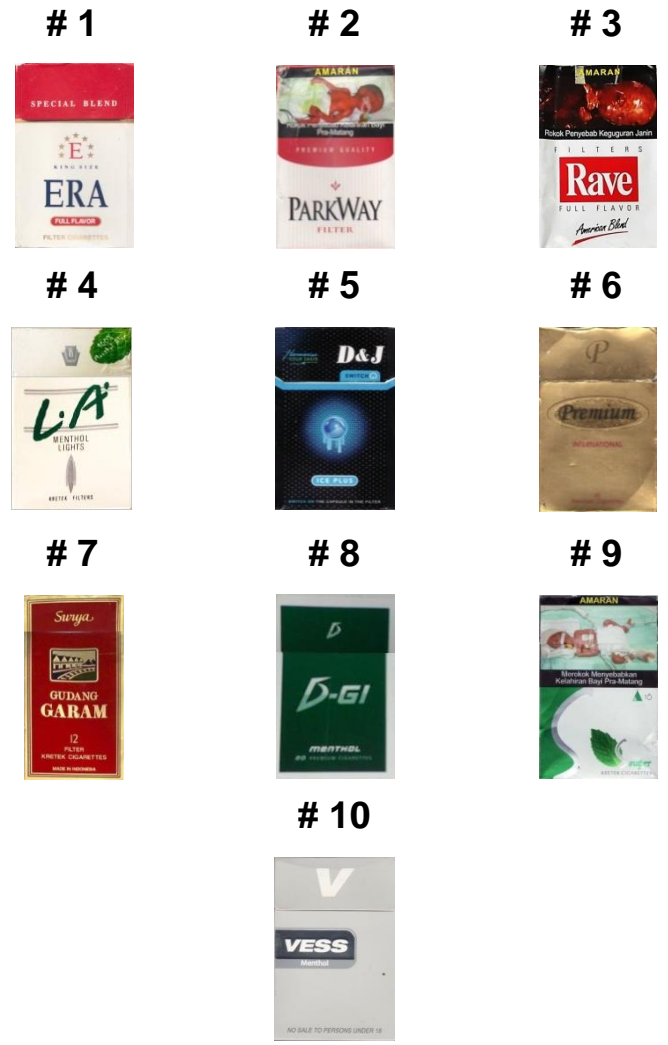
*relates to incidence of empty packs collected that meet any of illegal cigarettes criteria in page 3, regardless whether they are a legal brand or otherwise

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 = 4%

	Illegal Brand	Aug, 2020	Jul, 2020	2019
		SOM (%)	SOM (%)	SOM (%)
1.	Era	33.1	25.2	28.2
2.	Parkway	17.7	18.2	17.1
3.	Rave	8.5	7.5	7.9
4.	L.A.	5.9	7.9	9.7
5.	D&J	3.9	4.4	3.6
6.	Premium	2.4	3.2	2.4
7.	Gudang Garam	2.3	1.0	1.1
8.	D-Gi	2.1	4.4	3.0
9.	S Super	1.6	1.2	1.5
10.	Vess	0.8	2.1	2.9
Total 10 Total		78.3	75.1	77.4
Other Illegal		6.7	9.1	8.7
Total Illegal %		85.0	84.2	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

APPENDIX: NIELSEN'S ICS RESEARCH OBJECTIVE & METHODOLOGY

RESEARCH OBJECTIVES

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

2 Identify the **illegal brands** available in Malaysia and at State Level

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

I. Security features (Tax Stamps)

II. Brands of Local Manufacturers and Importers registered with Royal Malaysian Customs

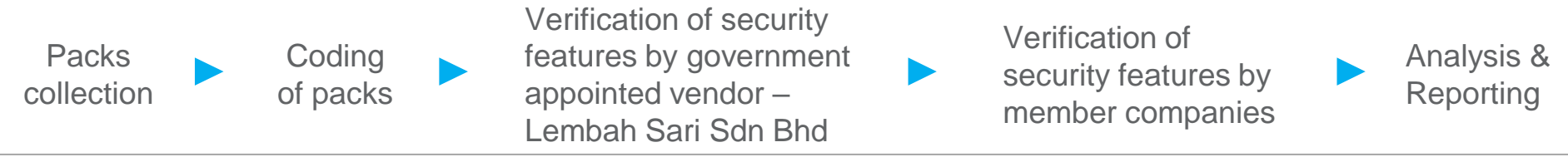
III. Mandated Labeling Requirements (under Control of Tobacco Product Regulations, Trade Description Act, Price Control & Anti Profiteering Act)

OVERVIEW OF STUDY FRAMEWORK

METHODOLOGY

- Method: **Litter collection of cigarette packs.**
- Frequency: **7 waves** in a year.
- Geographical coverage: Nationwide (Pen. M'sia and Sabah & Sarawak)
- Sample size: Nationwide **20,400 packs per wave** (Pen M'sia = A minimum of 1,200 packs per State, Sabah & Sarawak = 1,600 packs each)

PROCESS



SAMPLING ERROR

0.6% at national level and minimum 2.8% at state level

RELIABILITY



A correlation of **0.99** consecutively since 1993 to 2020 were achieved indicating that the Litter Survey is reliable.

- Results are presented as ratio or percentages of sticks collected.

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

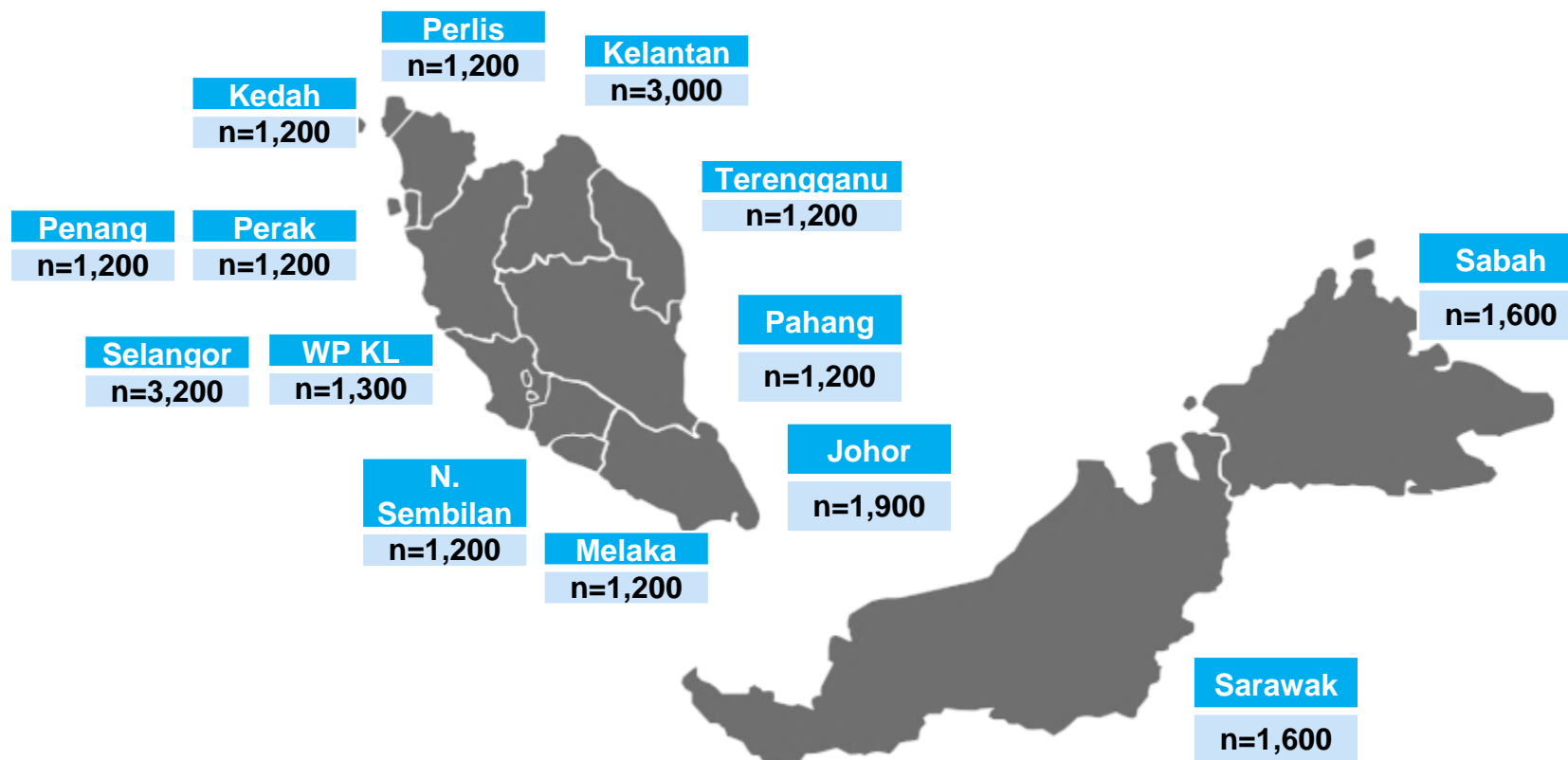
WHY SAMPLE SIZE OF 51,000 PACKS?

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

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SAMPLING COVERAGE OF ICS

STATE	DISTRICT COVERED		
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. Sembilan	Seremban	Jempol	Port Dickson
	Tampin		
Melaka	Melaka	Alor Gajah	
Johor	Johor Bahru	Batu Pahat	Kluang
	Kulai Jaya	Muar	Kota Tinggi
Pahang	Kuantan	Temerloh	Bentong
	Maran	Rompin	Pekan
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

Establish starting point of collection



Collect 25 packs from the street each week

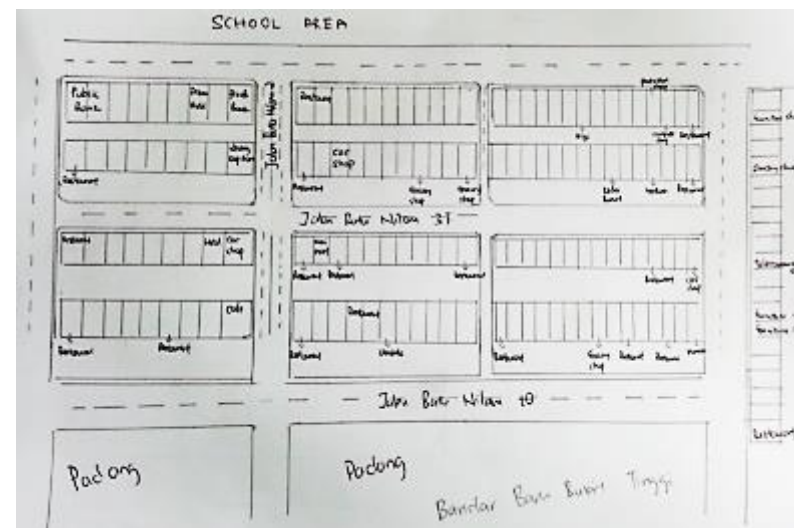


Attach label to bag: Standard label with the following:

- *State*
- *Location collected*
- *Area type*
- *Date of collection*



Packs will then be delivered to Nielsen's Head Office at KL for coding



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, [rejection of packs in poor condition applies to all](#) brands)
- As such, collectors will have no preference on the packs being collected as long as it is in decent condition
- Remuneration for packs collected are standard across all pack type / brand



Visual Examples of Unacceptable Packs

ICS RESEARCH METHODOLOGY AND DESIGN

- i. ICS Universe, Sample Size
- ii. Sampling Coverage Of ICS and Fieldwork
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- v. Weighting The Survey Data

A ROBUST SOP FOR PACK VERIFICATION & CODING PROCESS

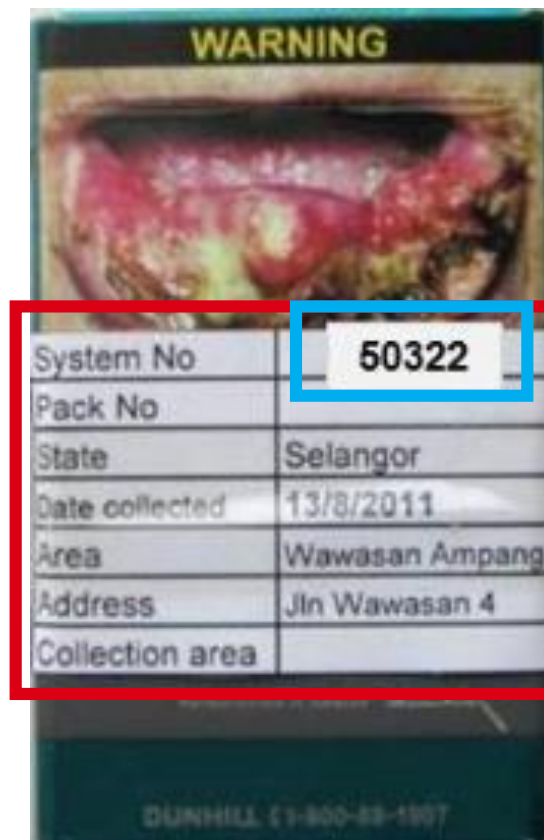
The following diagram illustrates the pack verification & coding process



CODING AND STORAGE PROCESS AT NIELSEN HQ



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

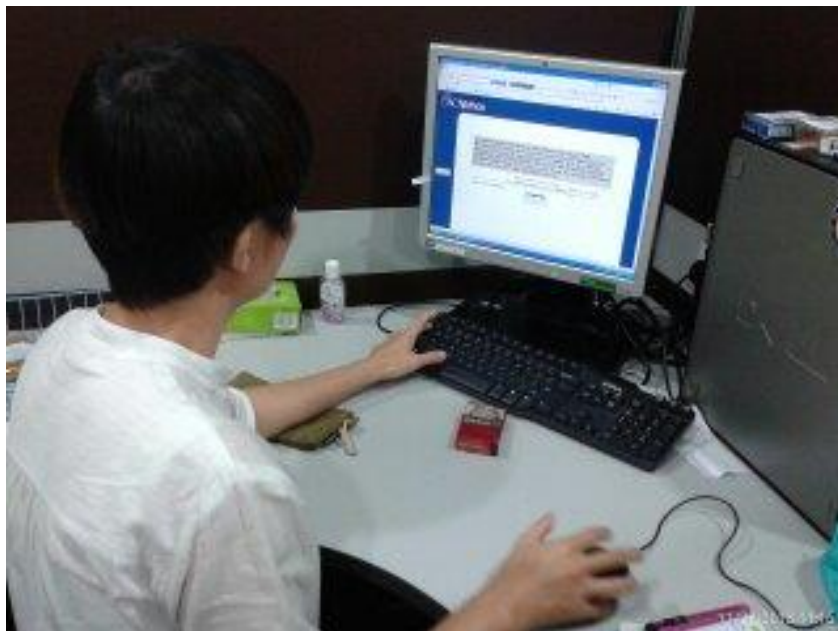


A unique ID is assigned to each pack when it reach Nielsen HQ

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

Pack Sample

CODING AND STORAGE PROCESS AT NIELSEN HQ



2. Once the pack ID number is assigned, data entry process will begin. 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

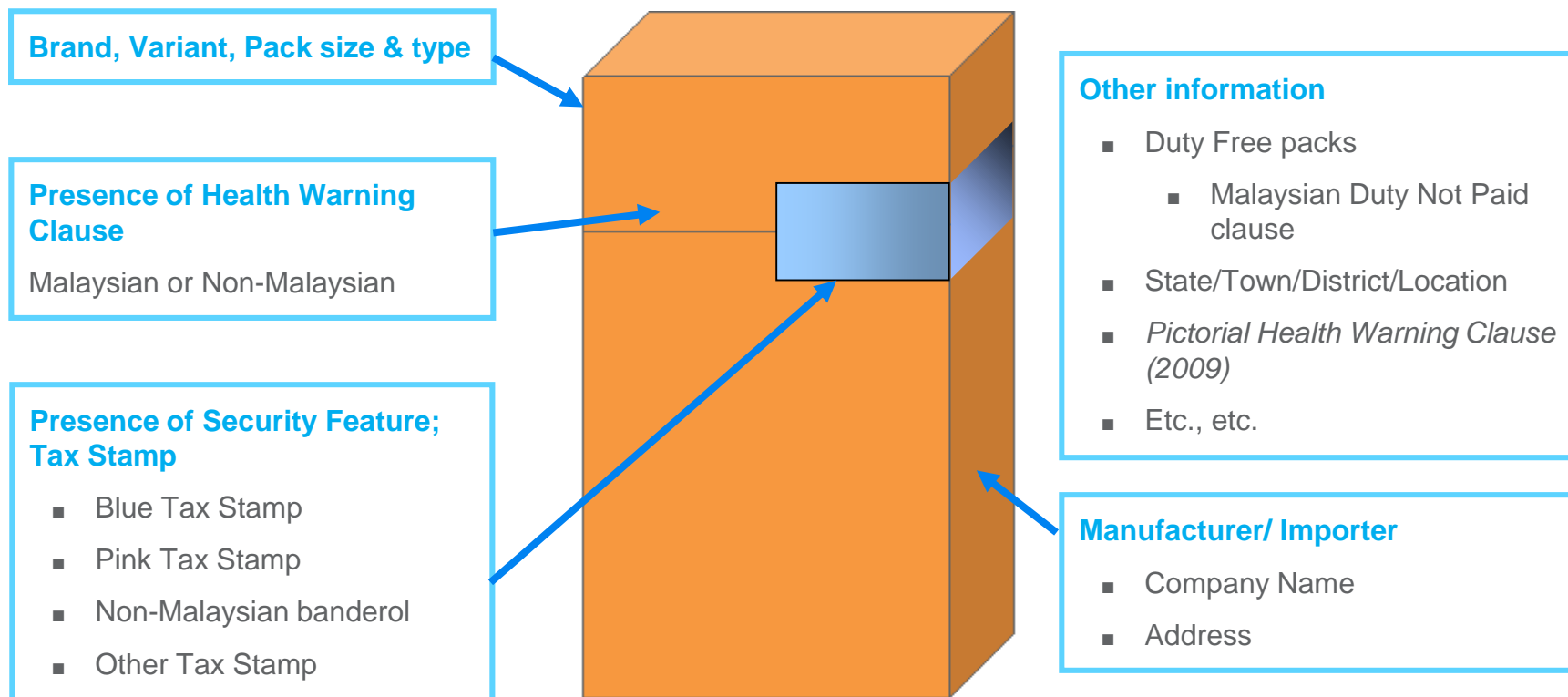
** Verified by Lembah Sari Sdn Bhd (LSSB) – Government appointed sole vendor for tax stamp

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 **domestic** consumption:
 - Blue tax stamp
- Additional security features for imported / manufactured packs for **duty free** 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

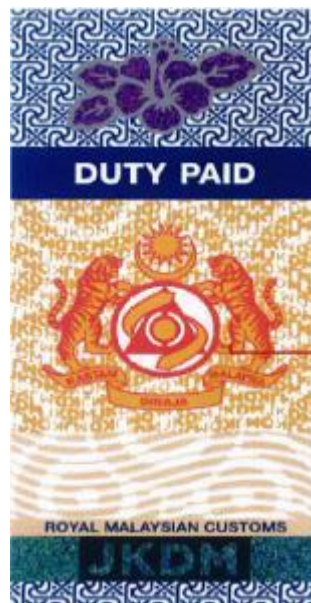
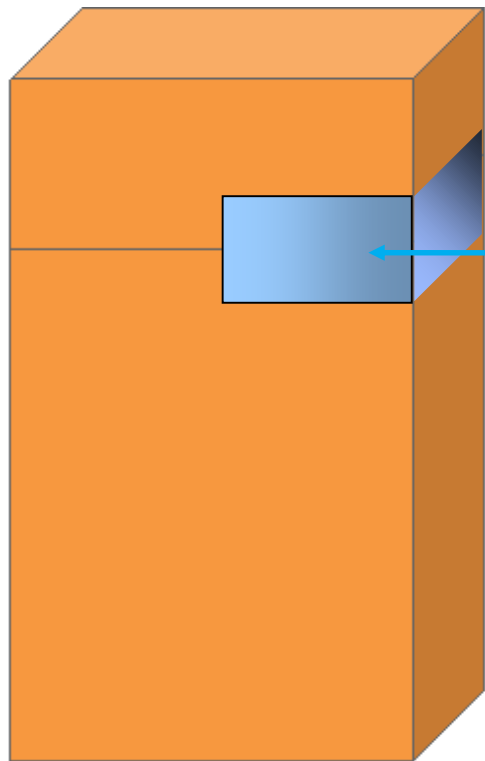
VERIFICATION OF SECURITY TAX STAMP

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

No	Pack ID System	Brand	Pack Size	Security Ink	Remarks (by LSSB)	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	40085	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	10938	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	34	4088	John	20	F	



VERIFICATION OF SECURITY TAX STAMP



Blue Tax Stamp
(Domestic Market)

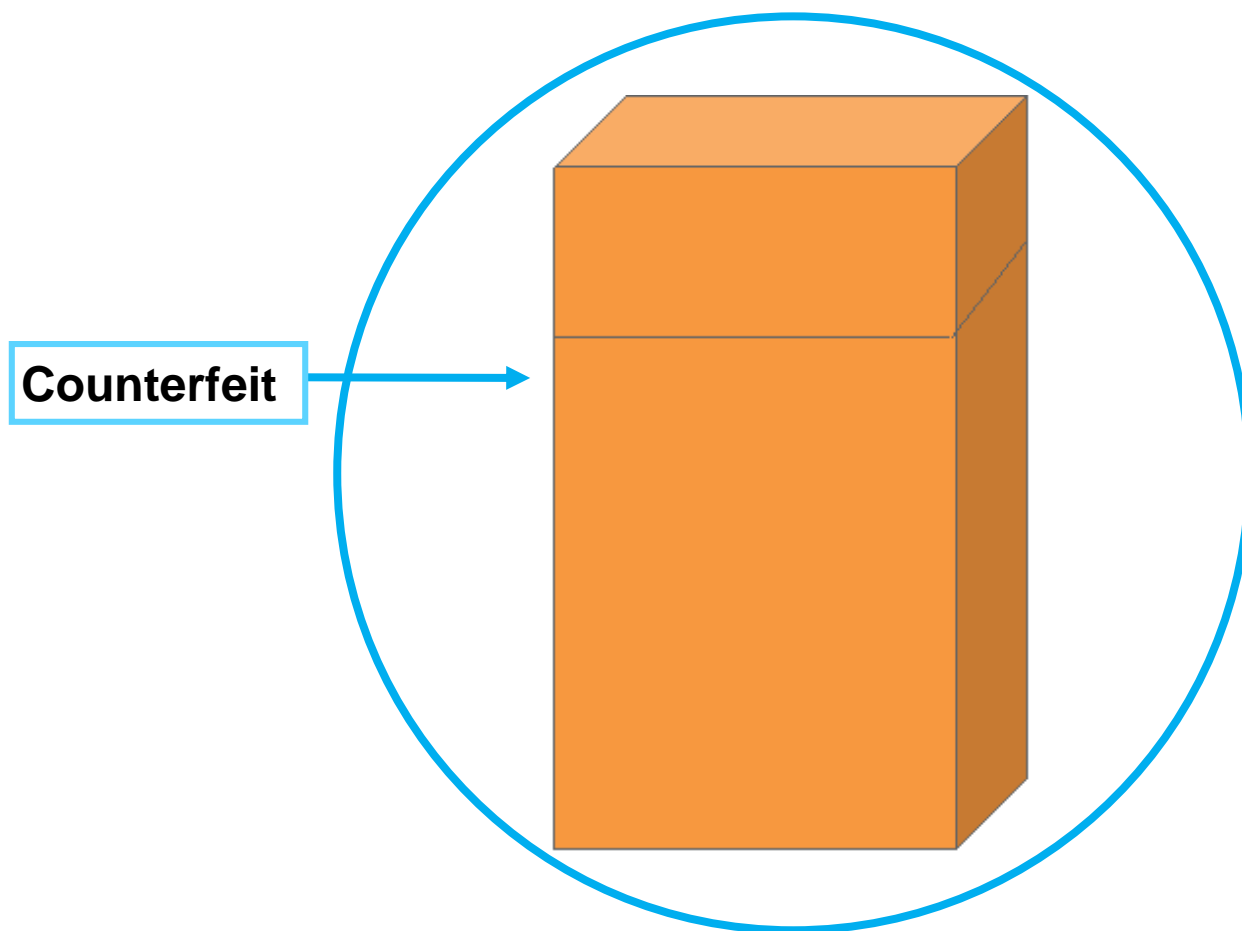
OR



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

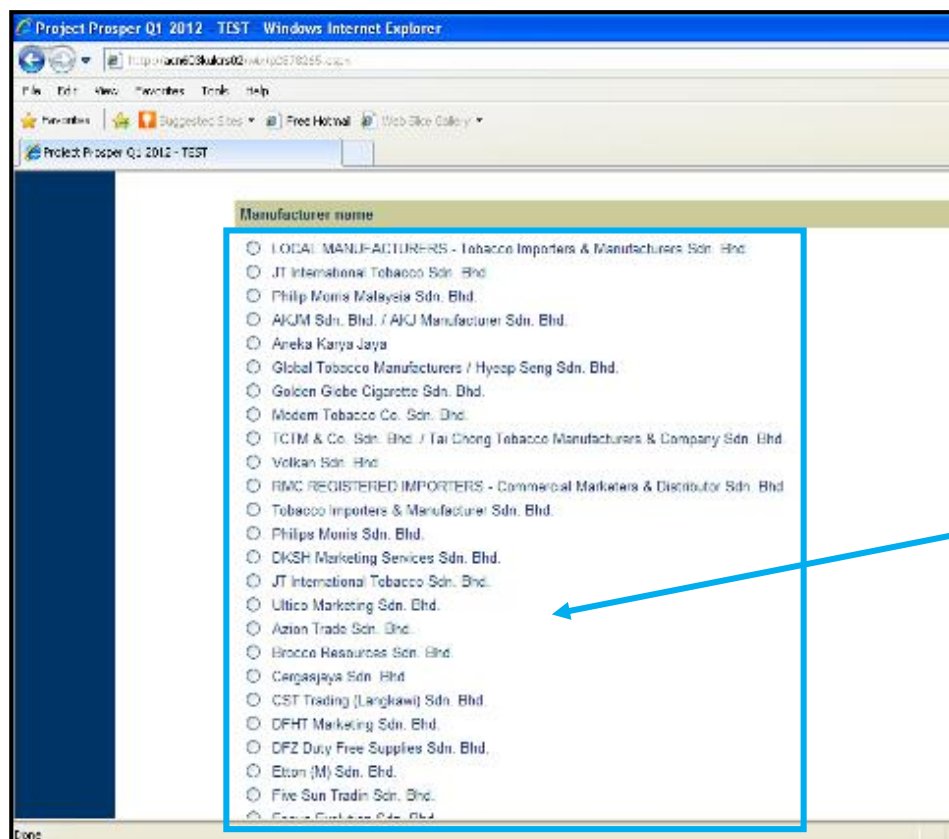


ICS RESEARCH METHODOLOGY AND DESIGN

- i. ICS Universe, Sample Size
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- 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



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)

	A1	responseid										
	A	B	E	F	G	H	I	J	K	L	M	
1	responseid	respid	Q5.Wave	Q6.Month	Q8.State	Q10.Location	Q9.Street	Q13.Spec	Q10	Q26.Region	Q20.Brand	
2	1	24003	Wave 3, Week 33: 03/10/20	Oct-12	Johor	Johor - Ba,Urban	Johor, Bar Taman Bc South [Joh	Dunhill Re				
3	2	3	Wave 3, Week 33: 03/10/20	Oct-12	Perlis	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 - Tor East Mala	Dunhill Re				
5	4	10	Wave 3, Week 33: 03/10/20	Oct-12	Perlis	Perlis - Ko,Urban	Perlis, Kor Jalan Ara, North [Per	Dunhill Re				
6	5	36038	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Jln Paser, Jalan Pas East Mala	Dunhill Re				
7	6	36004	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Sabah, Ko Likas - Tor East Mala	Winston R				
8	7	24004	Wave 3, Week 33: 03/10/20	Oct-12	Johor	Johor - Ba,Urban	Johor, Bar Taman Bc South [Joh	Dunhill Re				
9	8	24005	Wave 3, Week 33: 03/10/20	Oct-12	Johor	Johor - Ba,Urban	Johor, Bar Taman Bc South [Joh	Dunhill Re				
10	9	36005	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Sabah, Ko Likas - Tor East Mala	Dunhill Me				
11	10	24006	Wave 3, Week 33: 03/10/20	Oct-12	Johor	Johor - Ba,Urban	Johor, Bar Taman Bc South [Joh	Dunhill Re				
12	11	36040	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Jln Paser, Jalan Pas East Mala	Dunhill Me				
13	12	36006	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Sabah, Ko Likas - Tor East Mala	Gudang G				
14	13	36007	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Sabah, Ko Likas - Tor East Mala	Gudang G				
15	14	30070	Wave 3, Week 33: 03/10/20	Oct-12	Kedah	Kedah - A,Urban	Jalan Peg, Jalan Peg North [Per	Marlboro				
16	15	36041	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Jln Paser, Jalan Pas East Mala	Dunhill Me				
17	16	24007	Wave 3, Week 33: 03/10/20	Oct-12	Johor	Johor - Ba,Urban	Johor, Bar Taman Bc South [Joh	Winston R				
18	17	24008	Wave 3, Week 33: 03/10/20	Oct-12	Johor	Johor - Ba,Urban	Johor, Bar Taman Bc South [Joh	Winston R				
19	18	36042	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Jln Paser, Jalan Pas East Mala	Premium				
20	19	36008	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Sabah, Ko Likas - Tor East Mala	Gudang G				
21	20	36009	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Sabah, Ko Likas - Tor East Mala	Gudang G				
22	21	4	Wave 3, Week 33: 03/10/20	Oct-12	Perlis	Perlis - Ko,Urban	Perlis, Kor Jalan Ara, North [Per	Salem Me				
23	22	30079	Wave 3, Week 33: 03/10/20	Oct-12	Kedah	Kedah - A,Urban	Jalan Peg, Jalan Peg North [Per	Marlboro				
24	23	36010	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Sabah, Ko Likas - Tor East Mala	Marlboro				
25	24	36043	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Jln Paser, Jalan Pas East Mala	Premium				
26	25	36011	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Sabah, Ko Likas - Tor East Mala	Ero Premi				
27	26	36044	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Jln Paser, Jalan Pas East Mala	Premium				
28	27	24009	Wave 3, Week 33: 03/10/20	Oct-12	Johor	Johor - Ba,Urban	Johor, Bar Taman Bc South [Joh	Winston R				
29	28	30080	Wave 3, Week 33: 03/10/20	Oct-12	Kedah	Kedah - A,Urban	Jalan Peg, Jalan Peg North [Per	Marlboro				
30	29	5	Wave 3, Week 33: 03/10/20	Oct-12	Perlis	Perlis - Ko,Urban	Perlis, Kor Jalan Ara, North [Per	Marlboro				
31	30	24010	Wave 3, Week 33: 03/10/20	Oct-12	Johor	Johor - Ba,Urban	Johor, Bar Taman Bc South [Joh	Winston R				
32	31	36045	Wave 3, Week 33: 03/10/20	Oct-12	Sabah	Sabah - K,Urban	Jln Paser, Jalan Pas East Mala	Premium				
33	32	30081	Wave 3, Week 33: 03/10/20	Oct-12	Kedah	Kedah - A,Urban	Jalan Peg, Jalan Peg North [Per	Marlboro				

10% of data entered into the database will be cross-check 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
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- 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%.

HOW DOES NIELSEN WEIGHT THE DATA?

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**)

	Aug, 2020	
	('000 sticks)	
CMTM Member Companies (BATM, PMM, JTI)	542,100	Derive from actual in-market sales as provided by CMTM member companies
Other Local manufacturers	406	
Malaysian Duty Free	18,476	ICS volume estimation is used as substitute since actual data is not available
Total Legal Cigarettes Sales	560,982	

Unit of measurement : thousand sticks

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
PERLIS	1,522	0.3%
KEDAH	15,386	3.5%
PENANG	27,855	6.3%
PERAK	28,320	6.4%
SELANGOR	129,145	29.3%
WP KL	63,429	14.4%
N.SEMBILAN	19,271	4.4%
MELAKA	21,731	4.9%
JOHOR	73,733	16.8%
PAHANG	21,392	4.9%
TERENGGANU	9,344	2.1%
KELANTAN	13,965	3.2%
SABAH	9,699	2.2%
SARAWAK	5,403	1.2%
NATIONAL	440,194	

Step 2a. (Using Retail Audit)

State Legal Volume Contribution = $\frac{\text{State's Retail Audit Volume}}{\text{National Volume}}$
 (e.g. $129,145 / 440,194 = 29.3\%$)

	NIELSEN RETAIL AUDIT	STATE'S LEGAL VOLUME CONTRIBUTION	PROJECTED/ ESTIMATED STATE LEGAL VOLUME
SELANGOR	129,145	29.3%	164,582
NATIONAL	440,194		560,982

Step 2b.

Projected States Legal Volume = State Legal Volume Contribution X National Legal Volume
 (derived from Retail Audit) (obtained from Step 1)

(e.g. $29.3\% \times 560,982 = 164,582$)

HOW DOES NIELSEN WEIGHT THE DATA?

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

HOW DOES NIELSEN WEIGHT THE DATA?

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
			A		B	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 legal and illegal to establish The estimated total cigarette volume at state level

Step 3d.

Calculate the ratio of estimated legal vs. illegal volume

HOW DOES NIELSEN WEIGHT THE DATA?

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
			A		B	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%

HOW DOES NIELSEN WEIGHT THE DATA?

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
	A	B	$C = A / B$	$D = C - A$
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)

HOW DOES NIELSEN WEIGHT THE DATA?

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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