ILLICIT CIGARETTES STUDY (ICS) IN MALAYSIA NOV 2020 REPORT

Report Commissioned by CMTM member companies



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TABLE OF CONTENT

No	Type Of Report	Page
1	Illegal Cigarettes Criteria for Verification	3
2	Illegal Cigarettes Incidence at National Level	4
3	Top 10 Illegal Cigarettes Brands National Level	5
4	Tax Stamp Breakdown of Illegal Cigarettes	6
5	Fake Tax Stamp Breakdown by Manufacturers / Importers	7 – 8
6	Illegal Cigarettes Incidence by States	9 – 10
7	Top 10 Illegal Cigarettes Brands State Level	11 – 24
8	Appendix: Nielsen's ICS Research Objective & Methodology	25 – 57



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 0.5 ppt. vs. Oct, 2020



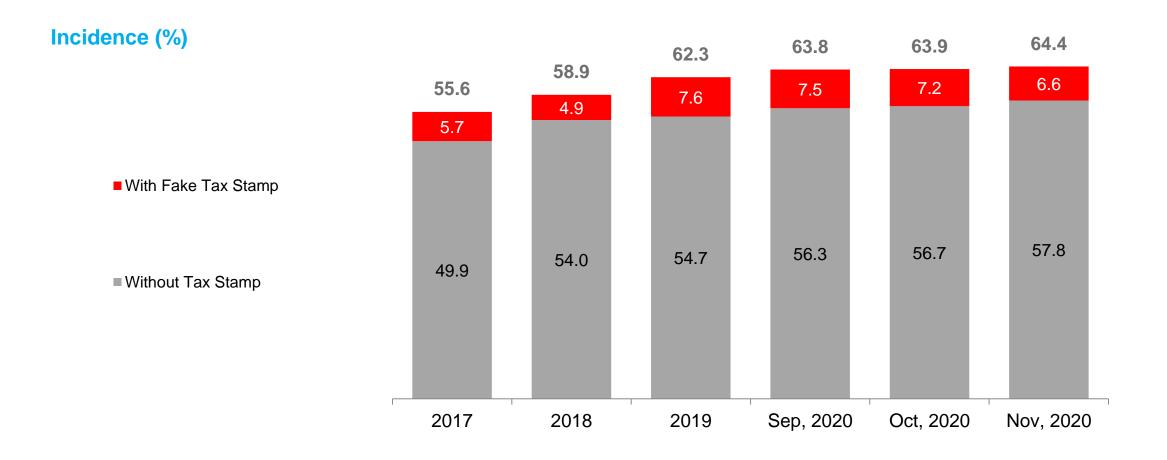
TOP 10 ILLEGAL CIGARETTES BRANDS*

They account for approximately 83% of illegal cigarettes volume

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	AMARAN	Swya
	Illegal Brand	(%)	(%)	(%)	Smakry Causes Phendule Bin John D-BLEND	Robol Paryetate Konser Paro Paro Kork UZ	GUDANG GARAM
1.	John	14.8	14.1	14.2	D-BLEND	FULL FLAVOUR RULER COGAMILITIES	12 Pater Refer commettes Net for indonema
2.	U2	9.5	8.3	5.3	# 4	# 5	# 6
3.	Gudang Garam	8.1	7.2	6.0	WARNING	WARNING	PERINGATAN
4.	Canyon	4.8	6.3	4.5	Sinding Cause Next Carcer	and see	
5.	Saat	4.0	3.5	4.9	Canyon	SAAT	LA
6.	LA	3.2	5.2	3.6		SAALI III	BOLD
7.	Era	3.1	4.0	4.4	# 7	# 8	# 9
8.	Luffman	2.9	2.2	1.3	REPRESENTITE .		P
9.	Premium	1.7	1.7	1.5	::61:	Liffman	Premium
10.	Zon King	1.5	0.5	2.2	ERA BLACK		animatowa
	Total 10 Total	53.6	53.0	47.9	(MENTROL)	# 10	A Annual Summer
					l	# 10	
	Other Illegal	10.8	10.9	14.4		~	
	Total Illegal %	64.4	63.9	62.3		ZON	

TAX STAMP BREAKDOWN OF ILLEGAL CIGARETTES:

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

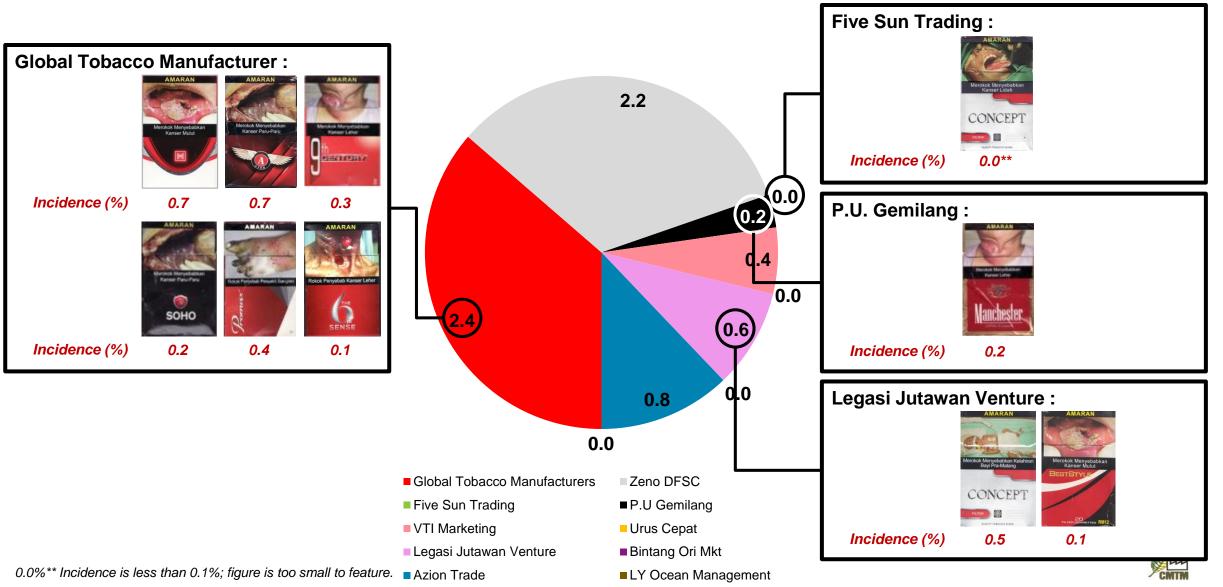




FAKE TAX STAMP BREAKDOWN BY MANUFACTURERS / IMPORTERS:

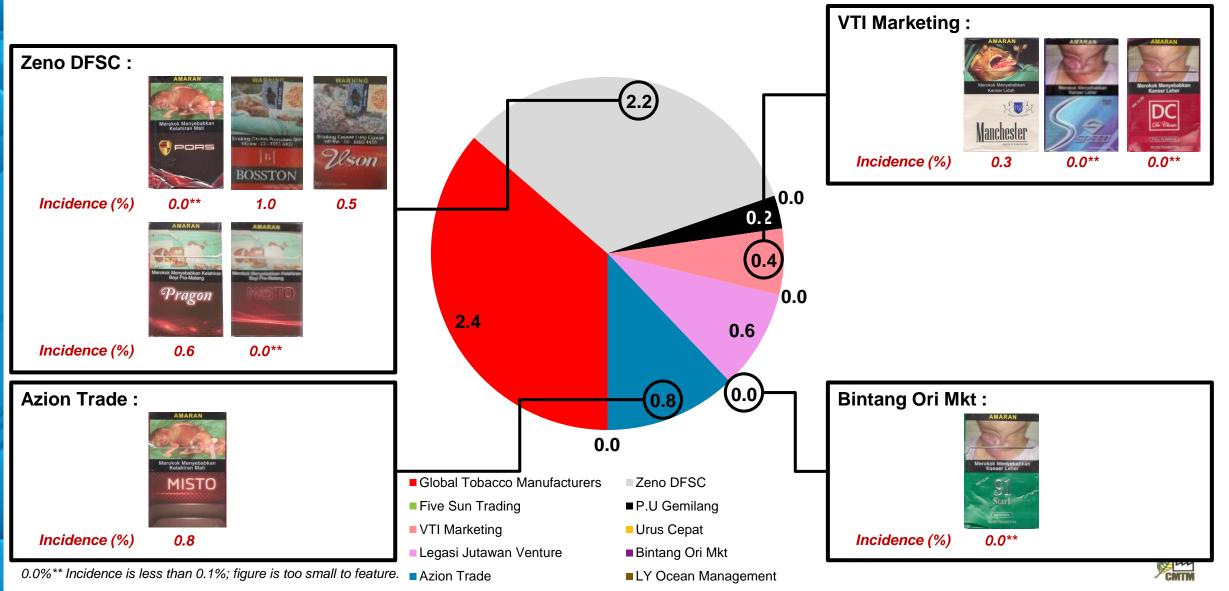
Illegal cigarettes with fake tax stamp for brands imported by Legasi Jutawan and P.U. Gemilang have increased in Nov

1



FAKE TAX STAMP BREAKDOWN BY MANUFACTURERS / IMPORTERS:

Illegal cigarettes with fake tax stamp for brands imported by Legasi Jutawan and P.U. Gemilang have increased in Nov



ILLEGAL CIGARETTES INCIDENCE BY STATES:

9 States recording an increase vs. Oct 2020

			Α				В			A m	inus B		Volume
		Nov	, 2020			0	ct, 2020		Vari	ance (Nov'2	2 <mark>020 vs.</mark> Oct	.'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	84.8	0.1	81.5	3.2	85.9	0.0	81.5	4.4	-1.1	+0.1	0.0	-1.2	7%
Sarawak	84.7	0.1	74.1	10.5	82.5	0.0	70.9	11.6	+2.2	+0.1	+3.2	-1.1	3%
Terengganu	79.7	3.1	71.5	5.1	76.8	1.4	71.2	4.2	+2.9	+1.7	+0.3	+0.9	4%
Pahang	74.7	3.5	51.3	19.9	75.8	6.3	47.0	22.5	-1.1	-2.8	+4.3	-2.6	7%
Kelantan	73.1	1.1	70.0	2.0	69.5	1.0	66.7	1.8	+3.6	+0.1	+3.3	+0.2	5%
Kedah	69.6	15.7	47.3	6.6	67.9	15.3	42.7	9.9	+1.7	+0.4	+4.6	-3.3	5%
WP KL	68.6	1.6	44.6	22.4	68.1	3.2	42.5	22.4	+0.5	-1.6	+2.1	0.0	17%
Selangor	64.4	3.3	42.1	19.0	65.0	5.5	38.2	21.3	-0.6	-2.2	+3.9	-2.3	31%
Melaka	59.3	22.2	34.2	2.9	55.7	18.7	33.9	3.1	+3.6	+3.5	+0.3	-0.2	4%
Penang	59.1	13.3	36.7	9.1	53.0	10.7	35.5	6.8	+6.1	+2.6	+1.2	+2.3	5%
Perlis	50.7	2.9	37.3	10.5	56.2	4.1	40.0	12.1	-5.5	-1.2	-2.7	-1.6	0%
N.Sembilan	46.6	14.1	25.2	7.3	51.4	15.7	28.2	7.5	-4.8	-1.6	-3.0	-0.2	2%
Johor	46.3	13.6	28.6	4.1	45.6	12.5	28.4	4.7	+0.7	+1.1	+0.2	-0.6	8%
Perak	38.7	18.6	17.9	2.2	37.3	18.6	16.4	2.3	+1.4	0.0	+1.5	-0.1	2%
National Incidence	64.4	6.6	44.8	13.0	63.9	7.2	42.4	14.3	+0.5	-0.6	+2.4	-1.3	100%

ILLEGAL CIGARETTES INCIDENCE BY STATES:

9 States recording an increase vs. 2019

			Α				В			A m	inus B		Volume
		Nov	, 2020				2019		V	ariance (Oc	t'2020 vs. 20	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	84.8	0.1	81.5	3.2	81.0	0.0	75.0	6.0	+3.8	+0.1	+6.5	-2.8	7%
Sarawak	84.7	0.1	74.1	10.5	86.1	0.0	72.2	13.9	-1.4	+0.1	+1.9	-3.4	3%
Terengganu	79.7	3.1	71.5	5.1	77.8	5.4	62.7	9.7	+1.9	-2.3	+8.8	-4.6	4%
Pahang	74.7	3.5	51.3	19.9	78.7	3.5	70.5	4.7	-4.0	0.0	-19.2	+15.2	7%
Kelantan	73.1	1.1	70.0	2.0	76.2	1.7	69.1	5.4	-3.1	-0.6	+0.9	-3.4	5%
Kedah	69.6	15.7	47.3	6.6	59.6	13.0	38.7	7.9	+10.0	+2.7	+8.6	-1.3	5%
WP KL	68.6	1.6	44.6	22.4	62.0	4.4	40.3	17.3	+6.6	-2.8	+4.3	+5.1	17%
Selangor	64.4	3.3	42.1	19.0	63.8	6.5	38.1	19.2	+0.6	-3.2	+4.0	-0.2	31%
Melaka	59.3	22.2	34.2	2.9	41.1	13.6	23.4	4.1	+18.2	+8.6	+10.8	-1.2	4%
Penang	59.1	13.3	36.7	9.1	55.3	15.0	34.9	5.4	+3.8	-1.7	+1.8	+3.7	5%
Perlis	50.7	2.9	37.3	10.5	42.8	7.1	28.6	7.1	+7.9	-4.2	+8.7	+3.4	0%
N.Sembilan	46.6	14.1	25.2	7.3	48.4	14.3	26.9	7.2	-1.8	-0.2	-1.7	+0.1	2%
Johor	46.3	13.6	28.6	4.1	37.6	12.6	23.4	1.6	+8.7	+1.0	+5.2	+2.5	8%
Perak	38.7	18.6	17.9	2.2	50.4	16.0	31.1	3.3	-11.7	+2.6	-13.2	-1.1	2%
National Incidence	64.4	6.6	44.8	13.0	62.3	7.6	43.5	11.2	+2.1	-1.0	+1.3	+1.8	100%

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.)

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	Surya	AMARAN
	Illegal Brand	(%)	(%)	(%)	Byreing Charme	GUDANG GARAM	Rokok Penyebab Keguguran Janin
1.	John	35.0	38.7	24.8	John	IZ FATTR KNETK COMMETTES INTE FINISHMEN	
2.	Gudang Garam	10.5	12.1	7.0	# 4	# 5	# 6
3.	M*	2.6	2.5	0.2	AMARAN	WARNING	WARNING
4.	Zon King	0.8	-	0.1	Merökik Manyukabkan Kanser Lebar	RO	Stroking Channes Mark Caroor
5.	Tiara	0.4	-	0.0**	Karmer Lenor	straing Capitor No. California までは	
6.	Canyon	0.4	1.1	0.2	CALLER CLARTER		Sector 1
7.	A380*	0.3	0.7	3.6	# 7	# 8	# 9
8.	Bingo	0.2	0.1	0.0**	AMARAN	AMARAN	
9.	D&J	0.2	-	0.2	Rolok Penyetab Penyelili Gangren -	Raduk Penyakab Kanar Paru-Paru	D&J
10.	Luffman	0.1	-	0.4		BINGO	PREMIUM AMERICAN BLEND
	Total 10 Total	50.5	55.2	36.5		# 10	MODE LANDER THE A VITE ONT
						# 10	
	Other Illegal	0.2	1.0	6.3			
	Total Illegal %	50.7	56.2	42.8		Liffman	

*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 = 5%

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	AMARAN	Swya
	Illegal Brand	(%)	(%)	(%)	Breeking Causes Work Causes	Rokat Penyebab Keguguren Janin	GUDANG GARAM
1.	John	42.7	34.9	33.1	John		I2 REER COMPTES MIT IN INCOMEN
2.	M*	8.2	7.1	1.8	# 4	# 5	# 6
3.	Gudang Garam	6.5	9.3	7.3	AMARAN	AMARAN	
4.	Concept*	2.3	2.2	2.1	Marchelt Marcubaldan	Merokok Moryebol ban Merokok Moryebol ban	
5.	Bosston*	2.0	0.2	0.2	CONCEPT	BOSSTON	Laffman
6.	Luffman	1.6	2.4	0.9	and the second s	E	Person Beed
7.	A380*	1.3	2.1	2.5	# 7	# 8	# 9
8.	D&J	0.7	1.4	0.2	AMARAN		WARNING
9.	Tiara	0.6	-	0.0**	Mercick Meryebackan Kanser Paru-Poru	D&J	Smaking Causes Nock Carloan
10.	Fisher	0.6	0.8	0.3		PREMIUM AMERICAN BLEND	TIARA
	Total 10 Total	66.5	60.4	48.4		# 10	
						# TU	
	Other Illegal	3.1	7.5	11.2		Rokok Penyebata Kanser Pana Pana	
	Total Illegal %	69.6	67.9	59.6		FISHER	

*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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12

TOP 10 ILLEGAL CIGARETTES BRANDS FOR PENANG Volume contribution to National = 5%

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	Surya.	WARNING
	Illegal Brand	(%)	(%)	(%)	Snaking Gauses Prendure Serie John D-BLEND	GUDANG GARAM	Smoking Causes Stall Birth
1.	John	19.4	27.7	25.7	D-BLEND	IZ INTER KNEEK GGARTES WEEK INSTAN	SAAT
2.	Gudang Garam	7.6	6.1	4.6	# 4	# 5	# 6
3.	Saat	7.1	2.7	3.3	WARNING		AMARAN
4.	Canyon	4.1	2.3	0.6	Smoking Clauses Nodi Carcor	50.00	
5.	Luffman	3.7	0.7	0.7	Canyon	Lidfman	Rokok Penyebadi Kamar Paru-Paru
6.	A380*	3.5	3.0	4.2		Person Brind	
7.	M*	3.5	2.3	3.3	# 7	# 8	# 9
8.	Pragon*	2.0	0.7	-	AMARAN	AMARAN	AMARAN
9.	Manchester*	1.7	1.1	2.5	Merckek Menyebabkan Kanser Peru-Peru	Mercikok, Menyediabikan Kelahiran Bergi Pra-Adatang	Merzick Menyelakikan Kanaci Lahie
10.	L.A.	1.0	0.3	0.5		Pragon	<u>Nanchester</u>
	Total 10 Total	53.6	46.9	45.4		# 10	
					1	#10	
	Other Illegal	5.5	6.1	9.9		9	
	Total Illegal %	59.1	53.0	55.3		LA	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR PERAK

Volume contribution to National = 2%

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	AMARAN	AMARAN
	Illegal Brand	(%)	(%)	(%)	Smoting Causes Prematice Bin John D-BLEND	Merotick Menyebabkan Katuar Abut	Merokok Menyebabkan Kanser Lidah Plson
1.	John	9.6	7.1	10.3	D-BLEND	CONCEPT	
2.	Concept*	4.1	3.4	2.8	# 4	# 5	# 6
3.	Vson*	2.8	2.4	0.3	WARNING	AMARAN	
4.	Canyon	2.6	3.7	3.3	Calify Causes Nod Cause	Mercicka Manyelasiane Koshiran Birthe Manager Statistican	DEGRET COMPARTIES
5.	Pragon*	2.5	2.6	-		Pragon	D&J
6.	D&J	2.4	2.6	3.1	1 miles		AMERICAN SLEND Mod Lacen The Authority of Thurbank, omiting to Genever
7.	9th Century*	2.2	2.5	1.8	# 7	# 8	# 9
8.	A380*	2.0	2.5	1.6	AMARAN	AMARAN	Swya
9.	Gudang Garam	1.7	1.9	1.4	Merokak Menyebabban Kanser Leher	Merckick Menyebatikan Kanser Poru-Piero	GUDANG
10.	Bosston*	1.5	1.6	0.3			GUDANG GARAM I2 NETTO STATE
	Total 10 Total	31.4	30.3	24.9		# 10	MAIL IN HODINESS
						# TO	
	Other Illegal	7.3	7.0	12.7			
	Total Illegal %	38.7	37.3	37.6		Merchok Manyrebabhan Konser Pari-Pari BOSSTON	

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

		Nov, 2020	Oc	t, 2020		2019	#	1		# 2	# 3
		SOM	Ę	SOM		SOM		RAN Kanser Paru Paru		WARNING	Swya
	Illegal Brand	(%)		(%)		(%)	Rokok Penyebat K	Kanaer Paru-Paru R		Sincking Causes Premature Birth John D-BLEND	GUDANG
1.	U2	14.5		11.4		5.6	FULL F			D-BLEND	IZ NUTRI COMUTTES MATTING COMUTTES
2.	John	13.6		11.2		14.4	#	4		# 5	#6
3.	Gudang Garam	12.7		11.0		9.8	PERIN	ATAN	1		WARNING
4.	L.A.	5.2		9.3		7.0					Sincking Causes Neck Care
5.	Luffman	5.1		4.2		2.7	L	AI		Laffman	Canyon
6.	Canyon	4.3		8.2		4.8				Pacura Bind	
7.	Zon King	2.9		0.9		5.0	#	7		# 8	# 9
8.	Misto*	0.8		1.0		-	1.			AMARAN	PERINGATAN
9.	Sampoerna	0.6		0.4		1.4		N		Merokok Menyebabkan Kanser Lehor	SAMPOERNA
10.	Saat	0.6		0.6		1.4	KI	NG		MISTO	A
	Total 10 Total	60.3	4	58.2		52.1	20 PICTOR	GANTTES: N	1	# 10	Mild
	Other Illegal	4.1		6.8	[11.7				WARNING	
	Total Illegal %	64.4		65.0		63.8				Smoking Causes Sall Barth	

TOP 10 ILLEGAL CIGARETTES BRANDS FOR WP KL Volume contribution to National = 17%

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	AMARAN	WARNING	Swryas
	Illegal Brand	(%)	(%)	(%)	Riskok Penyebatik Kamer Panu-Panu Kotik UZ	Smithing Clauses Prenature Data John D-BLEND	GUDANG GARAM
1.	U2	15.7	13.9	5.6	FULL FLAVOUR	D-BLEND	12 FLTER KREITER COLARETTES
2.	John	13.7	14.1	15.5	# 4	# 5	#6
3.	Gudang Garam	13.4	10.4	8.2	PERINGATAN		WARNING
4.	L.A.	8.0	11.0	6.9			Smoking Clusten Neck Cara
5.	Luffman	5.7	3.2	2.8	LAI	Liffhan	Canyon
6.	Canyon	4.2	8.4	5.0	BOLD®	Human Barry	
7.	Zon King	3.4	0.9	6.0	# 7	# 8	# 9
8.	Saat	0.7	0.4	1.8	~	WARNING	PERINGATAN
9.	Sampoerna	0.7	0.7	1.4	ZON	Smoking Causes Sali Birth	SAMPOERNA
10.	Pragon*	0.5	1.0	-	KING	SAAT	A
	Total 10 Total	66.0	64.0	53.2	Vojnina Rima 20 Fritza (UKANITEL 🚿	# 10	Mild
						# 10	
	Other Illegal	2.6	4.1	8.8			
	Total Illegal %	68.6	68.1	62.0		Merchak Menyelakkan Kelahiran Bayi Pira dalarang Pragon	

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

		Nov, 2020		Oct, 2020		2019	# 1	# 2	# 3
		SOM		SOM	Ì	SOM	WARNING	WARNING	Swya,
	Illegal Brand	(%)		(%)		(%)	Sensity Course Sensity Course John D-BLEND	Sinding Gaussi Neck Cancer Canyon	GUDANG GARAM
1.	John	8.8		9.8		8.7	D-BLEND		12 PATTER RATER COMPTES MOR HUMMEN
2.	Canyon	8.4		6.9		5.6	# 4	# 5	# 6
3.	Gudang Garam	6.2		5.3		6.1	AMARAN	AMARAN	AMARAN
4.	U2	6.0		9.3		3.2	Risch Peryebab Kanar Para Para	Merokok Menyebabkan	
5.	Vson*	3.7		1.3		0.3	104 12	Vison	Merokok Menyebabkan Kanser Leher MISTO
6.	Misto*	3.4		5.4		-	FULL FLAVOUR	20 film Equation	
7.	A380*	2.4		4.2		2.7	# 7	# 8	# 9
8.	Bosston*	1.6		1.1		0.2	AMARAN	AMARAN	AMARAN
9.	Pragon*	1.2		0.8		-	Mortikok Marryebatikan Kanter Ponu-Panu	Merchok Monyebabkan Kanser Para-Paru	Merokok Menyebabkan Kelahiran Bayi Pra-Matang
10.	League	0.9		0.3		5.6		BOSSTON	Pragon
	Total 10 Total	42.6		44.4		32.4		# 10	
			1		1			# IU	
	Other Illegal	4.0		7.0		16.0			
	Total Illegal %	46.6		51.4		48.4		Robert Perspectato Karacer Mutat LEAGUE count	

*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 MELAKA

Volume contribution to National = 4%

		Nov, 2020	ĺ	Oct, 2020	2019	# 1	# 2	# 3
		SOM		SOM	SOM	WARNING	WARNING	AMARAN
	Illegal Brand	(%)		(%)	(%)	Smaking Causes Semaking Causes John	Sinding Causes Neck Cancer Canyon	Merokok Monyebabkan Rander Pario-Paru BOSSTON
1.	John	19.6		23.9	18.1	D-BLEND	AND A LOW	R
2.	Canyon	12.7		7.2	9.3	# 4	# 5	# 6
3.	Bosston*	6.2		6.1	2.0	ABARAN	AMARAN	AMARAN
4.	Promax*	3.6		3.2	2.1		Res	So the
5.	9 th Century*	2.4		0.6	4.8	Rotat Peryakit Gargen		MISTO
6.	Misto*	2.3		2.1	-	Cont in	υ.	
7.	Manchester*	2.0		0.8	0.9	# 7	# 8	# 9
8.	Gudang Garam	1.8		2.0	2.1	AMARAN	Surya	AMARAN
9.	Vson*	1.5		0.7	0.7	Merzicki: Menyelvelsien Karace Laher	GUDANG	Merokok Menyebabkan Kanter Lidah
10.	Pragon*	1.1		1.6	-	Nanchester_	GUDANG GARAM 12 Press werte canduitres werte canduitres werte canduitres	Ulson
	Total 10 Total	53.2		48.2	40.0		# 10	20 Inter Equation
			1				# 10	
	Other Illegal	6.1		7.5	10.4		ABARAN	
	Total Illegal %	59.3		55.7	50.4		Merches Manufacture Federar Buy fra-Matery Pragon	

*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 JOHOR

Volume contribution to National = 8%

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	WARNING	AMAKAN
	Illegal Brand	(%)	(%)	(%)	Smaking Gauses Neck Cancer Canyon	Smaking Gauses Premature Birn Dohn D-BLEND	RUL RAGE
1.	Canyon	10.8	9.0	6.5		D-BLEND	FLAL FLAVOUR
2.	John	9.6	10.2	6.8	# 4	# 5	# 6
3.	U2	7.3	7.4	7.2	Swryas	AMARAN	AMARAN
4.	Gudang Garam	3.1	3.3	3.0		Mercelok, Meryebabban Mercelok, Meryebabban	Morokok Monyebabkan Morokok Monyebabkan
5.	Misto*	2.9	2.6	-	GUDANG GARAM	MISTO	BOSSTON
6.	Bosston*	2.6	2.9	2.0	12 Paten Raffik Constitutes NATH Resonances		E
7.	Concept*	1.7	1.6	1.2	# 7	# 8	# 9
8.	Vson*	1.0	0.4	0.4	Almandan	AMARAN	AMARAN
9.	A380*	1.0	1.0	2.2	Merokok Meryebabkan Konser Lisah	Merokok Menyababkan Kanser Lidah	Merokok Menyebabkan Kanser Paru-Paru
10.	Promax*	0.9	1.4	2.0	CONCEPT	Vison	
	Total 10 Total	40.9	39.8	31.3	Durificant New	<u>10</u>	
	Other Illegal	5.4	5.8	9.8			
	Total Illegal %	46.3	45.6	41.1		Rutuk Projekub Panyakit Gargran	

*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

R

TOP 10 ILLEGAL CIGARETTES BRANDS FOR PAHANG Volume contribution to National = 7%

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	AMARAN	FERNÖRTAN
	Illegal Brand	(%)	(%)	(%)	Smoking Causes Premoture Birth	Ristsk Perryklab Kanner Paul-Paul KOR VZ	Department
1.	John	23.4	21.0	24.2	John D-BLEND	RUL FLAVOUR RULE CAGANITES	IMPACT
2.	U2	18.9	15.4	21.2	# 4	# 5	# 6
3.	Diplomat	8.8	11.0	0.1	Swya	WARNING	WARNING
4.	Gudang Garam	8.0	7.0	3.9		Emplang Causes Neck Cancer	
5.	Canyon	5.5	7.2	6.0	GUDANG GARAM	Canyon	
6.	Saat	2.3	2.6	1.4			SAAT
7.	Bosston*	2.0	3.5	0.5	# 7	# 8	# 9
8.	Luffman	1.4	1.5	0.4	AMARAN	BUT & GET I REE BEL & DAVID PRECLAMA I	International
9.	Touro	0.8	0.8	0.4	Mercado Menyebakan Acade Partu-Para BOSSTON	Liffman	R
10.	L.A.	0.6	1.7	1.0	E	16	Riserr B
	Total 10 Total	71.7	71.7	59.1		# 10	
	04h o n 111	2.0		10.7		PERINGATAN	
	Other Illegal	3.0	4.1	18.7			
	Total Illegal %	74.7	75.8	77.8		1.Ai	

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

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	WARNING	AMARAN
	Illegal Brand	(%)	(%)	(%)	Sinsking Causes Periodure Birn John	Smoking Causes Sali Birth	Rokak Penyeteb Kareer Paru-Paru KOK T 2
1.	John	29.3	33.6	31.7	D-BLEND	SAAT	
2.	Saat	26.2	27.9	27.1	# 4	# 5	#6
3.	U2	10.7	5.9	5.8	Swrya	WARNING	AMARAN
4.	Gudang Garam	3.7	3.5	4.0		Bindlarg Causes Neck, Cancer	and the second s
5.	Canyon	3.2	1.0	1.9	GUDANG GARAM	Canyon	Robak Penyakat Penyakat Gangran
6.	Promax*	1.3	0.2	0.4	12 PARTER PARTER CAGARATES MICH HINDOWS		China and and
7.	A380*	0.9	0.6	1.7	# 7	# 8	# 9
8.	Diplomat	0.8	-	0.0**	AMARAN	FERNICALAN	
9.	Tex	0.7	0.5	0.0**	Marakak Menyebalikan Kanter Pana-Pana	Enterior service and	TEX
10.	Barokah	0.5	0.6	0.3		IMPACT	
	Total 10 Total	77.3	73.8	72.9		# 10	The second second
	Other Illerel	2.4	2.0	5.0			
	Other Illegal	2.4	3.0	5.8		The start and the second secon	
	Total Illegal %	79.7	76.8	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

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

Baruhah

TOP 10 ILLEGAL CIGARETTES BRANDS FOR KELANTAN Volume contribution to National = 5%

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	WARNING	WARNING	PETER GEARGING
	Illegal Brand	(%)	(%)	(%)	Smiting Causes Sali Birth	Smaking Causes Premistre Birth John	TEX
1.	Saat	52.9	52.5	61.6	SAAT	D-BLEND	
2.	John	12.1	9.6	4.4	# 4	# 5	# 6
3.	Tex	4.6	4.0	0.1	Swya	AMARAN	AMARAN
4.	Gudang Garam	2.0	1.5	4.7		-	
5.	Promax*	0.7	0.1	0.1	GUDANG GARAM	Rulak Perjukati Penjukat Garopen	CONCEPT
6.	Concept*	0.2	0.6	0.7	IZ INTER NAUTER CAMPTES MUR HIMOMENA	Contraction of the second seco	The second se
7.	U2	0.2	0.1	0.0**	# 7	# 8	# 9
8.	Premium	0.1	-	1.9	WARNING	AMARAN	AMARAN
9.	Znos	0.1	-	-	Smaking Caution Neck Cancer	Rote Pergelan Samar Para Para	Rokok Penyebab Kanser Muke
10.	Misto*	0.1	0.1	-	, TIARA		ZNOS
	Total 10 Total	73.0	68.5	73.5	<u>¢</u>	# 10	
						# IU	
	Other Illegal	0.1	1.0	2.7			
	Total Illegal %	73.1	69.5	76.2		Merekek Menyebabkan Kelahiran Mati MISTO	

*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 = 7%

		Nov, 2020	Oct, 2020	2019	# 1	# 2	# 3
		SOM	SOM	SOM	SPECIAL BLEND	P	
	Illegal Brand	(%)	(%)	(%)	**** ***	Premium	9
1.	Era	46.4	60.3	50.6	ERA	Carl A	
2.	Premium	32.3	16.6	18.6	# 4	# 5	# 6
3.	D&J	2.6	4.1	3.1	Proven Tarl		Swya
4.	Apache	2.1	2.8	1.7	Mpache	LA	
5.	L.A.	0.6	0.6	3.5		MENTHOL	GUDANG GARAM
6.	Gudang Garam	0.4	0.9	0.5	16 PILTER KRETER	OFFICE OFFICE	12 Priter Radiac Colonettes Inde Hindowers
7.	Promax*	0.1	-	-	# 7	# 8	# 9
8.	Parkway	0.1	-	-	ABARAN	AMARAN	WARNING
9.	John	0.1	0.1	0.2	Robot Peryskik Gargent	Provide Statement	Smoking Causes Premeture Bath
10.	A Satu Mild	0.1	0.1	0.3	Fromes	PARKWAY	John D-BLEND
	Total 10 Total	73.0	68.5	73.5		# 10	
						#10	
	Other Illegal	0.1	1.0	2.7		<u>A</u>	
	Total Illegal %	84.8	85.9	81.0		A SATU MLD	

*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 = 3%

		Nov, 2020	Oct, 2020		2019	# 1		# 2	# 3
		SOM	SOM		SOM	FILTROS OFFICE	A.C.	AMARAN	MARAN
	Illegal Brand	(%)	(%)		(%)	****	Riskov P	nyebab Penyaki Gangron MIEW QUALITY	
1.	Era	29.2	30.6] [28.2	ERA BLACK	PA		Rave Foll FLAVOR
2.	Parkway	24.1	18.9		17.1	# 4		# 5	#6
3.	Rave	9.9	9.5		7.9				P
4.	L.A.	5.8	5.9		9.7	1.A			Premium
5.	D&J	4.1	3.8		3.6	LIPHS		P	INTERNATIONAL
6.	Premium	2.8	1.9		2.4		- 40124	THE LAPERS IN THE PLANE	mailer
7.	S Super	2.1	1.4		1.5	# 7		# 8	# 9
8.	Master Mild M2	1.4	1.5		0.7	AMARAN		MasterMild	PUTERS
9.	Devon	1.0	1.5] [0.3	Mercikak Menyebudaan Kelannan Bayi Pra-Matang	C.S.	ested	DEVON
10.	Vess	0.4	0.4] [2.9			Mo	FILL FLAMME COLUMN
	Total 10 Total	80.8	75.4		74.3	ATTING COLUMITIAN	+	ŧ 10	
				л г			Ť	- 10	
	Other Illegal	3.9	7.1		11.8			V	
	Total Illegal %	84.7	82.5		86.1		VE	SS	

APPENDIX: NIELSEN'S ICS RESEARCH OBJECTIVE & METHODOLOGY



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

2

3

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

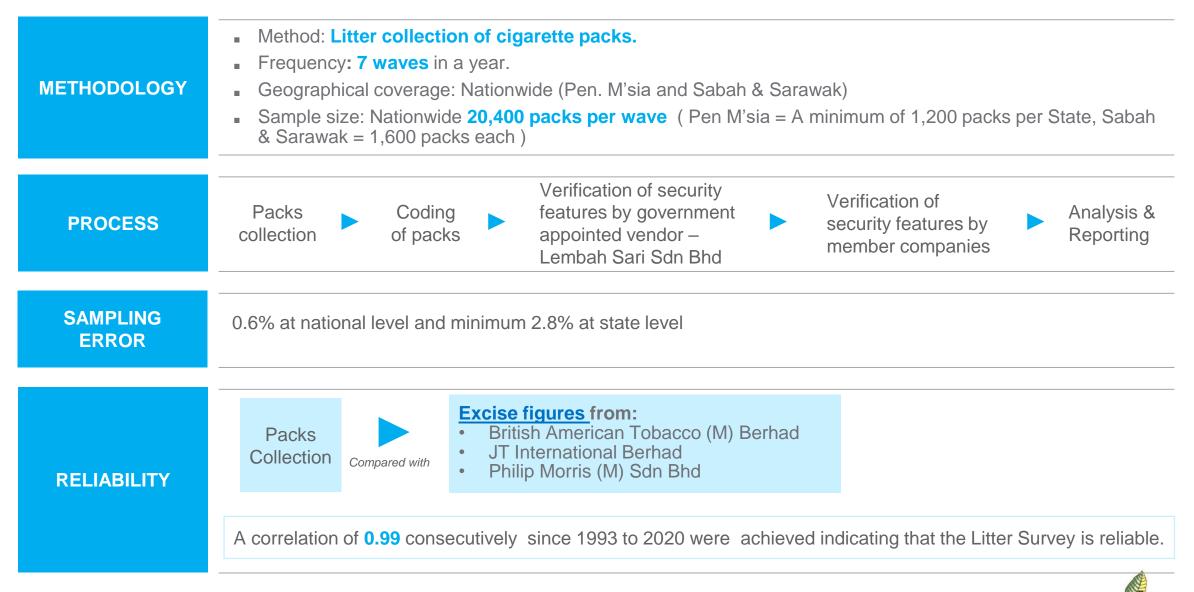
- Security features (Tax Stamps)
- Brands of Local Manufacturers and Importers registered with Royal Malaysian Customs П.
- III. Mandated Labeling Requirements (under Control of Tobacco Product Regulations, Trade Description Act, Price Control & Anti Profiteering Act)







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?

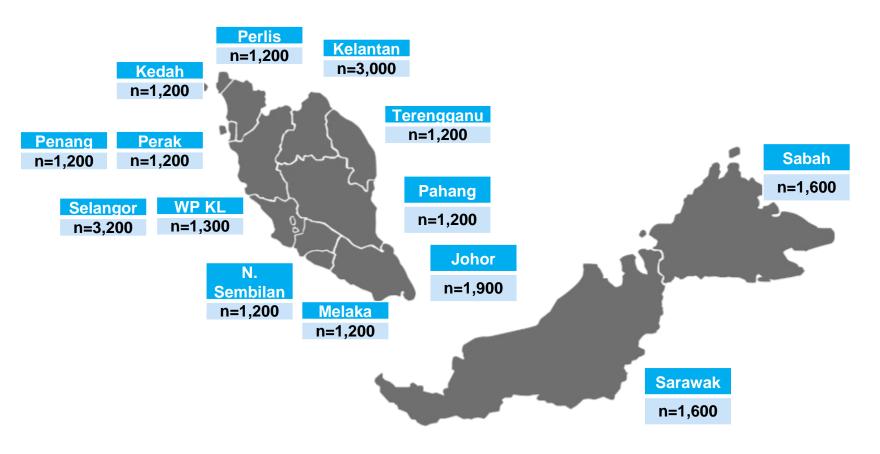
Sample Size (n=)	Sampling Error @ 95% Confidence
n=50	14.9%
n=100	9.9%
n=250	5.9%
n=500	4.1%
n=1,000	2.8%
n=2,000	2.0%
n=3,000	1.6%
n=4,000	1.4%
n=10,000	0.8%
n=20,000	0.6%
n=50,000	0.4%

- 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



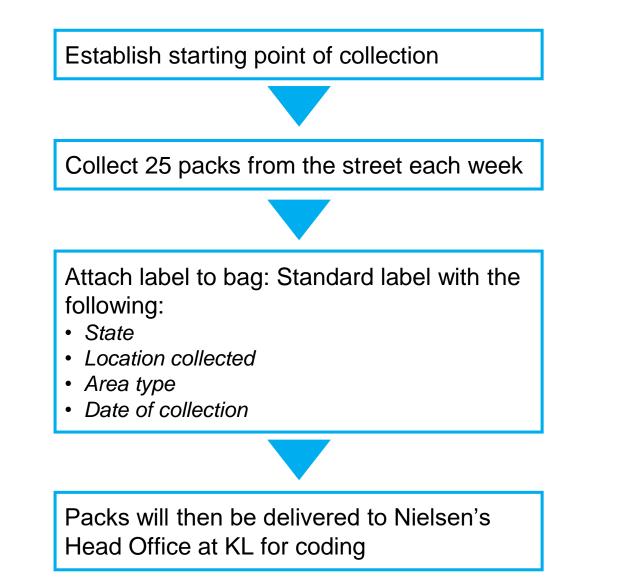
SAMPLING COVERAGE OF ICS

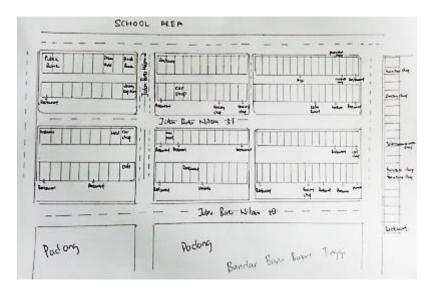
STATE	DISTRICT COVERED		
Perlis	Kangar		
Kedah	Kuala Muda	Kota Setar	Kulim
	Kubang Pasu	Baling	Pendang
Penang	Timur Laut	Seberang Perai Tengah	Seberang Perai Utara
Perak	Kinta	Larut & Matang	Manjung
	Hilir Perak	Kerian	
Selangor	Petaling	Ulu Langat	Klang
	Gombak	Kuala Langat	
WP KL	Spread across KL		
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







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.

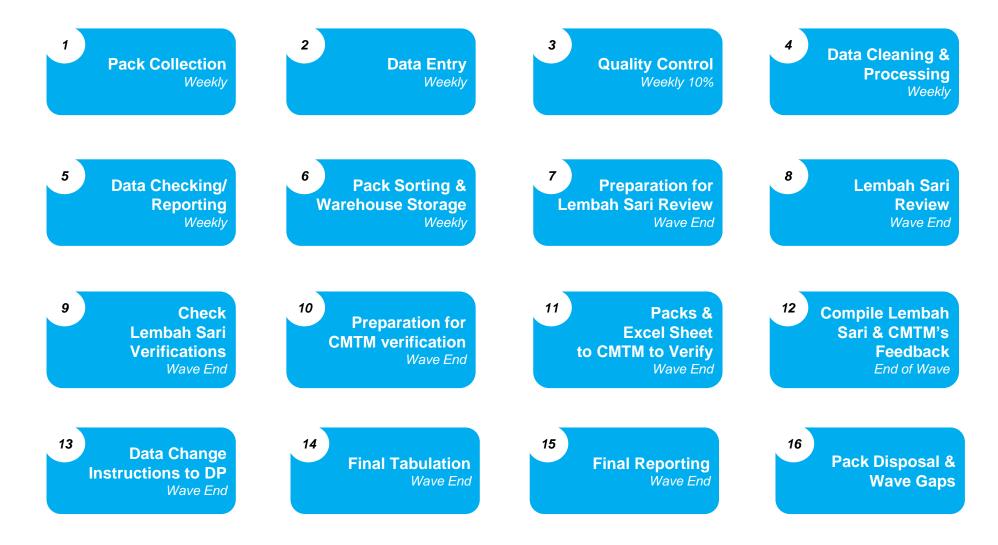
iii. Coding Processes

- **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

Pack Sample



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



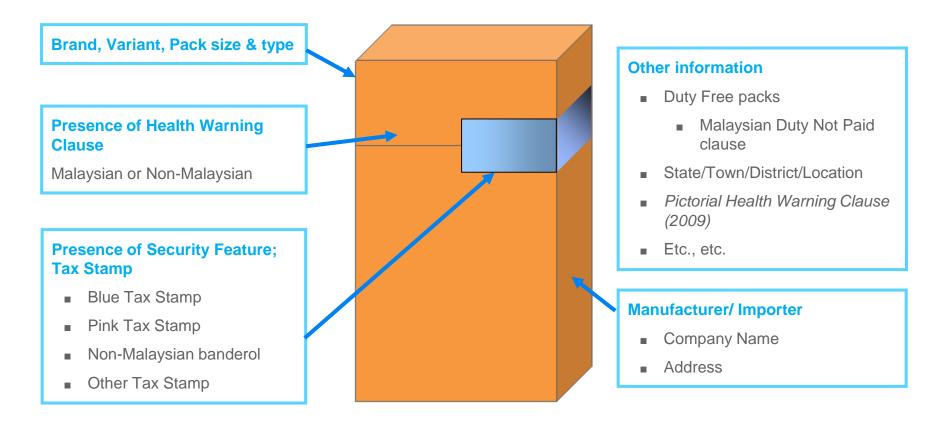
REGULATIONS SET BY THE MALAYSIA GOVERNMENT

- 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



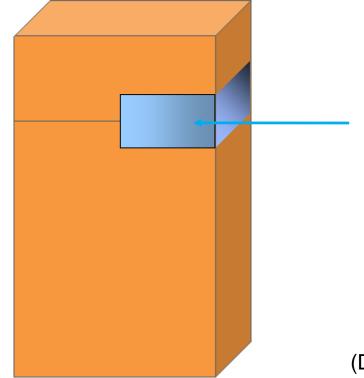
VERIFICATION OF SECURITY TAX STAMP

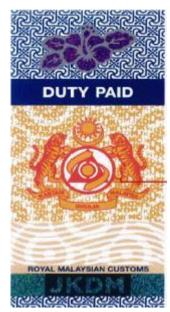
- Tax Stamps are verified by Lembah Sari using the special reader/tool
- Verification outcome: sign off by Lembah Sari & Nielsen as witness

1					٠	
	A	В	С	D	G	Н
1	Loca	d 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	
27	24	4088	John	20	F	
14 4		Template	e - BATM 🔏 Templ	ate - PMI 🏒	Template - JTI 🌔	Template - RMC Importer), Template - ELPC /



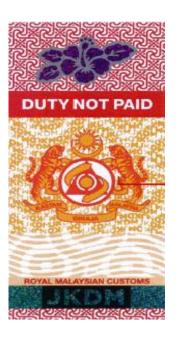
VERIFICATION OF SECURITY TAX STAMP





OR

Blue Tax Stamp (Domestic Market)

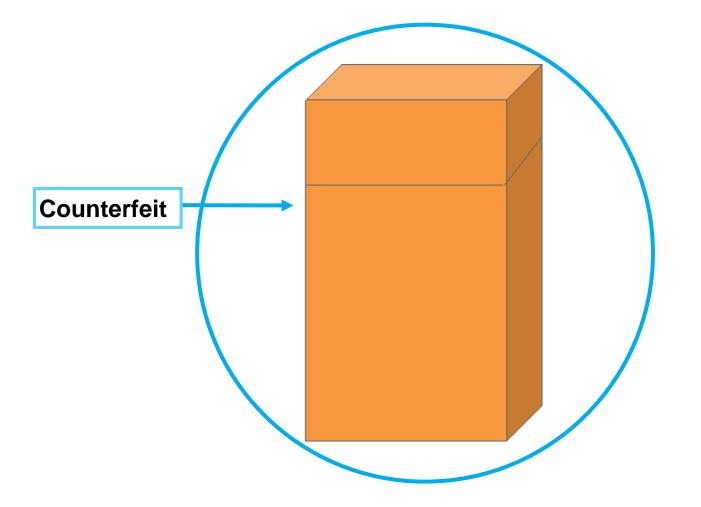


Pink Tax Stamp (Duty Free Market)



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

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



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

(The local data and the local da	TEST Windows Internet Explorer kst02/windows/co19055.com	
le Edit New Tevorites To		
🦕 Forvantes 🛛 🎂 🚺 Buspested	Step + a) Pres Hotmail and the Dice Callery +	
Frolect Prosper Q1 2012 - TEST		
	Manufacturer name	
	© LODAL MANUFACTURERS - Tobacco Importers & Manufacturers Sdn. Brd.	
	Ø JT International Tobacco Sdr. Brd.	
	C Philip Morris Malaysia Sdn. Bhd.	
	O AIOM Sdn. Bhd. / AIO Manufacturer Sdn. Bhd.	
	O Aneka Karya Jaya	
	O Global Tobacco Manufacturers / Hyeap Seng Sdn. Bhd.	
	O Golden Globe Cigarette Sdn. Bhd.	
	O Modern Tebacco Co. Sch. Dhd.	
	C TCTM & Co. Sdn. Bhd. / Tai Chong Tobacco Manufacturers & Company Sdn. Bhd.	
	O Volkan Sdr. Hnd	
	C FINC REGISTERED IMPORTERS - Commercial Marketers & Distributor Sdn. Bhd	
	O Tobacco Importers & Manufacturer Sdn. Blid.	
	O. Philps Monis Sdn. Bld.	
	O DKSH Marketing Services Sdn. Bhd.	
	O JT International Tobacco Sdn. Bhd.	
	O Ultico Marketing Sdn. Bhd.	
	Azion Trade Sdr. Bhd.	
	Brocco Resources Son. Brd.	
	O Cergasjeya Sdn Bhd	
	O CST Trading (Langkawi) Sdn. Bhd.	
	O DEHT Marketing Sdn. Bhd.	
	O DFZ Duty Free Supplies Sdn. Bhd.	
	C Etton (M) Sdn. Ehd.	
	O Five Sun Tradin Scin. Bhd.	
	A Free Free Free Pde Flat	_

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
8 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	Jalah 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	0ct-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 ASMONS	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
- **Coding Processes** iii.
- **Data Processing** iv.
- v. Weighting The Survey Data



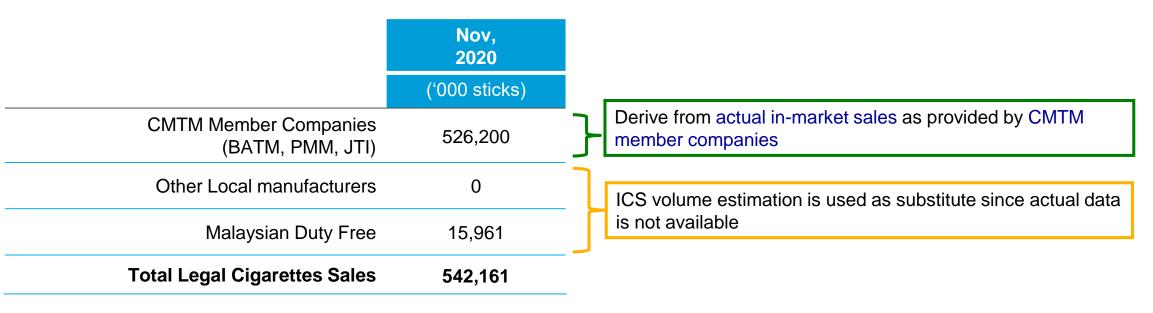
Why apply Weighting to Survey Data?

- 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



11

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 542,161,000 sticks

	NIELSEN RETAIL AUDIT	STATE'S LEGAL VOLUME CONTRIBUTION		(Using Retail A					
PERLIS	1,594	0.4%	State Legal Volume Contribution = <u>State's Retail Audit Volume</u> National Volume						
KEDAH	16,120	3.6%	(e.g. 137,596 / 448,853 = 30.7%)						
PENANG	27,344	6.1%							
PERAK	26,549	5.9%				STATE'S LEGAL	PROJECTED/		
SELANGOR	137,596	30.7%			NIELSEN RETAIL AUDIT	VOLUME CONTRIBUTION	ESTIMATED STATE LEGAL		
WP KL	62,782	14.0%					VOLUME		
N.SEMBILAN	19,352	4.3%		SELANGOR	137,596	30.7%	166,199		
MELAKA	21,823	4.9%							
JOHOR	77,461	17.3%		NATIONAL	448,853		542,161		
PAHANG	20,307	4.5%		Stop 2h					
TERENGGANU	8,534	1.9%	Step 2b. Projected States Legal Volume = State Legal Volume Contribution X National Legal Volume						
KELANTAN	14,890	3.3%							
SABAH	9,580	2.1%	(derived from Retail Audit) (obtained from Step 1)						
SARAWAK	4,921	1.1%	-	(e.g. 30.	.7% x 542,161 = 10	66,199)			
NATIONAL	448,853		-						



Step 2: Key Output

	NIELSEN RETAIL AUDIT	STATE'S LEGAL VOLUME CONTRIBUTION	PROJECTED/ ESTIMATED STATE LEGAL VOLUME
PERLIS	1,594	0.4%	1,926
KEDAH	16,120	3.6%	19,471
PENANG	27,344	6.1%	33,028
PERAK	26,549	5.9%	32,068
SELANGOR	137,596	30.7%	166,199
WP KL	62,782	14.0%	75,833
N.SEMBILAN	19,352	4.3%	23,375
MELAKA	21,823	4.9%	26,359
JOHOR	77,461	17.3%	93,564
PAHANG	20,307	4.5%	24,529
TERENGGANU	8,534	1.9%	10,308
KELANTAN	14,890	3.3%	17,985
SABAH	9,580	2.1%	11,571
SARAWAK	4,921	1.1%	5,944
NATIONAL	448,853		542,161



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 (Nov'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	3,200	1,073	21,460	2,127	38,806	60,266	35.6%	64.4%
			Step 3a. Sum up the number of stick 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 (Nov'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	553	11,060	647	11,374	22,434	49.3%	50.7%
KEDAH	1,200	350	7,000	850	16,018	23,018	30.4%	69.6%
PENANG	1,200	467	9,340	733	13,516	22,856	40.9%	59.1%
PERAK	1,200	726	14,520	474	9,153	23,673	61.3%	38.7%
SELANGOR	3,200	1,073	21,460	2,127	38,806	60,266	35.6%	64.4%
WP KL	1,300	384	7,680	916	16,784	24,464	31.4%	68.6%
N.SEMBILAN	1,200	617	12,340	583	10,777	23,117	53.4%	46.6%
MELAKA	1,200	485	9,700	715	14,127	23,827	40.7%	59.3%
JOHOR	1,900	1,009	20,180	891	17,419	37,599	53.7%	46.3%
PAHANG	1,200	281	5,620	919	16,576	22,196	25.3%	74.7%
T'GANU	1,200	237	4,740	963	18,585	23,325	20.3%	79.7%
KELANTAN	1,200	319	6,380	881	17,294	23,674	26.9%	73.1%
SABAH	1,600	241	4,820	1,359	26,904	31,724	15.2%	84.8%
SARAWAK	1,600	238	4,760	1,362	26,448	31,208	15.3%	84.7%



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	166,199	35.6%	466,736	300,537

Step 4a.

Based on the incidence for legal cigarettes of 42.1% in Selangor, project the total volume for the state (e.g. 166,199 divide by 35.6% = 466,736)

Step 4b.

Illegal volume is established by subtracting the projected total state's volume with the legal volume (e.g. 466,736 – 166,199 = 300,537)



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	1,926	49.3%	3,906	1,980
KEDAH	19,471	30.4%	64,026	44,555
PENANG	33,028	40.9%	80,824	47,796
PERAK	32,068	61.3%	52,282	20,214
SELANGOR	166,199	35.6%	466,736	300,537
WP KL	75,833	31.4%	241,559	165,726
N.SEMBILAN	23,375	53.4%	43,790	20,415
MELAKA	26,359	40.7%	64,749	38,390
JOHOR	93,564	53.7%	174,327	80,763
PAHANG	24,529	25.3%	96,876	72,347
TERENGGANU	10,308	20.3%	50,725	40,417
KELANTAN	17,985	26.9%	66,738	48,752
SABAH	11,571	15.2%	76,158	64,587
SARAWAK	5,944	15.3%	38,973	33,029
NATIONAL	542,161		1,521,669	979,508

Divide National Illegal Volume 979,508 with National Total Market Volume 1,521,669



nielsen

