Stop cigarette price war or else...
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The government today threatened to control the price of cigarettes to stop multinational tobacco sellers from lowering them to encourage smoking and sales.

Health Minister Chua Soi Lek said he had given JT International, British American Tobacco, and Philip Morris two weeks to end what he said was a price war after meeting with officials from the companies.

"The Health Ministry views this price war seriously," Chua was quoted as saying by the Bernama news agency.

"The government normally imposes high tax with the hope that when prices of cigarettes go up, there will be a drop in the demand, although we understand that at some stage it will encourage smuggling," he said.

"But of late, it looks like efforts by the government are being challenged by these companies with them drastically reducing prices, some to unreasonable levels," he said.

Only RM3 per packet

The minister said that the price of cigarettes was only RM3 for a packet of 20, before costs and taxes are added, and that the low prices are thwarting government efforts to discourage smoking.

A packet of cigarettes in Malaysia costs up to RM7.50 after taxes and costs.

Chua also threatened other actions against the companies, who dominate the market in Malaysia, if they failed to cooperate.

"If they cannot cooperate and want to increase their cigarette sales, it is time the ministry considers taking several actions," he said.

Actions could include compulsory registration with the ministry so it can monitor tar and nicotine levels to ensure products meet government standards, he said, according to Bernama.

The government may also enlarge health warnings, currently on the side of most cigarette packets, to cover 60 percent of the boxes to discourage smokers, he added.

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