



THE TOBACCO INSTITUTE OF SOUTHERN AFRICA

MEDIA RELEASE

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Massive illegal cigarette busts

The South African Police Service (SAPS) together with customs officials from the South African Revenue Service (SARS) made significant headway in their fight against the trade in illegal cigarettes by confiscating over 2,3-million illegal cigarettes in Gauteng and Kwa-Zulu Natal just before the Easter weekend.

SAPS officials confiscated around 1,9-million illegal Remington Gold and Sevilles cigarettes from informal traders in the Stilfontein and Magaliesberg areas on 4 April 2012. Three suspects were arrested and the stock was seized by officials.

SARS Customs officials were hard at work in Kwa-Zulu Natal where they seized nearly 450,000 illegal cigarettes from several street vendors and other informal traders around Durban between 4 and 6 April 2012. Illegal brands seized included Aspen, Chicago, Kingdom, Mega and Pacific.

“Illegal cigarettes now make up more than 25% of the total cigarette market in South Africa, equating to a staggering 7-billion illicit cigarettes per year,” explains Francois van der Merwe, CEO of the Tobacco Institute of Southern Africa. “It is estimated that some 19 million cigarettes (equivalent to 950,000 packets of 20s) are sold illegally in the country every day. We commend the excellent work that law enforcement officials are doing in shutting down the supply chain of illicit traders.”

The impact of the illegal cigarette trade on the economy and society in South Africa is vast – government lost almost R4-billion in unpaid taxes (excise and VAT) in 2011 as a result of the illegal trade in cigarettes. This is tax money that could have been used in addressing some of South Africa's most pressing needs such as poverty alleviation, infrastructure development and education.

Ends

NOTE TO EDITORS

Penalties:

The penalties if a retailer, or reseller, is caught with illicit products and prosecuted under the Customs and Excise Act (evasion of taxes) are: A fine of R20 000 or three times the value of the goods, depending on which one is the greatest; or up to 5 years in prison. A person prosecuted can therefore pay a fine and go to jail.

How to Spot Illegal Cigarettes:

- 1) Paying less than R 15.00 for a pack of 20s (suspect price).
- 2) There is no excise stamp on the pack.
- 3) The tar and nicotine readings are higher than 12 mg Tar and 1.2 mg Nicotine respectively.
- 4) There are no health warnings on the pack.

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