



THE TOBACCO INSTITUTE OF SOUTHERN AFRICA

Media Release

For Immediate Release

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Millions of illegal cigarettes seized in May

Law enforcement officials confiscated over 16-million illegal cigarettes during the month of May, from raids and seizures across the country. The illicit trade in cigarettes has become a serious problem in South Africa, with major inflows into the country from over the border in Zimbabwe.

Some of the major interventions which took place during May included the seizure, by South African Police Service (SAPS) officials, of over 1.6-million illegal “Pacific” cigarettes from a reseller in Clanwilliam in the Western Cape. Two arrests were made and authorities transported the illicit stock to the state warehouse.

Meanwhile, SAPS border control officials made a major breakthrough on 30 May 2012, seizing around 11-million illegal cigarettes at Beit Bridge. The duty-not-paid “Dullahs” and “Mega” smokes were bound for the South African market. Criminals are going to great lengths to avoid excise and tax by smuggling product across the borders and into the country.

“We commend the authorities for their on-going efforts in addressing the illegal trade in cigarettes,” says Francois van der Merwe, CEO of the Tobacco Institute of Southern Africa (TISA). “Their decisive action has prevented these illegal cigarettes being sold in the country and the arrests of those found in possession of these products should send a strong warning signal to those who continue to participate in the illegal cigarette trade.”

“Illegal cigarettes now make up well over 25% of the total cigarette market in the country, costing the government as much as R4-billion in excise duties and VAT not paid by these unscrupulous criminals,” Van der Merwe added.

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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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