



THE TOBACCO INSTITUTE OF SOUTHERN AFRICA

MEDIA RELEASE

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Millions of illegal cigarettes seized in Gauteng

The South African Police Service (SAPS) in Gauteng are continuing their crackdown on retailers, resellers and wholesalers found to be trading in illegal cigarettes by seizing nearly five million illegal cigarettes in the first week of March alone.

SAPS Officials confiscated over a million illegal “Dullahs” and “Caspian” cigarettes from retailers in Benoni and Boksburg respectively on Tuesday, 1 March 2011. Two suspects were arrested and the stock was detained.

Further West, in Lichtenburg, officials seized around four million illicit “Remington Gold”, “Sevilles”, “Pacific” and “Shasha” cigarettes from a retailer in the area. One suspect was arrested and the stock was transferred to the state warehouse.

“We commend the work being done by SAPS in addressing the illegal trade in cigarettes,” says Francois van der Merwe, CEO of the Tobacco Institute of Southern Africa (TISA). “Gauteng has been identified as a hotspot for the illegal trade in cigarettes, with a large majority of product flowing in from across the border in Zimbabwe. This decisive action should send a strong warning signal to other illicit traders that no-one is above the law.

The illegal trade in cigarettes costs the country as much as R4-billion in excise duties and VAT because of unscrupulous criminals who avoid tax. “It is also crippling the legal tobacco industry as the illegal cigarettes are mostly sold at prices that do not even cover the taxes. As a result the legal industry’s volumes have declined by more than 30% over the past decade, resulting in closure of factories and job losses in factories and on farms in deep rural areas,” adds van der Merwe.

This is money that could be spent on education, poverty alleviation as well as much-needed infrastructure development. Consumers looking to save money by purchasing cheaper and often illicit cigarettes are unwittingly supporting crime.

NOTE TO EDITORS

Arrest Details:

- Benoni SAPS, Case Number 28/03/2012
- Lichtenburg SAPS, Case Number 94/03/2012

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 respectively
- 4) There are no health warnings on the pack

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