



THE TOBACCO INSTITUTE OF SOUTHERN AFRICA

MEDIA STATEMENT

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Signing of FCTC Anti-Illicit Trade Protocol

18 January 2013. The Tobacco Institute of Southern Africa (TISA) is greatly encouraged by the recent signing, by the Minister of Health, Dr Aaron Motsoaledi, of the Framework Convention on Tobacco Control's (FCTC) Anti-Illicit Trade Protocol. TISA believes that the recommendations on licensing, due diligence, and offences will make it more difficult for unscrupulous players to continue dealing illicitly in tobacco products.

TISA CEO, Francois van der Merwe, says that TISA focuses on supporting law enforcement authorities in their fight against the illegal trade in cigarettes, which is currently the single biggest threat facing the sustainability of the legal tobacco industry. "The illegal trade in tobacco products defrauds Governments of much needed revenue; it erodes volumes of legal companies; it more often than not undermines the health agenda of Governments and it also supports organised crime," says Van der Merwe. "Those adult consumers, who choose to use tobacco products, should ensure they buy products that comply with all relevant legislation".

"The estimated loss to Government equates to almost R5-billion in excise tax and VAT for 2012. Over the past three years, TISA estimates that the fiscus lost almost R12 billion due to illegal cigarette trading. This has a direct impact not only for South Africa but also the revenue sharing SACU member states – Botswana, Lesotho, Namibia and Swaziland; hence the illegal trade in cigarettes is stated by the South African government to be one of the top priority commercial crimes," notes Van der Merwe.

TISA has built formal and professional working relationships with the South African Revenue Service (SARS), the South African Police Service (SAPS/DPCI), the National Prosecuting Authority and other Law Enforcement Agencies in the fight against the illicit trade in tobacco products.

“We commend SARS, SAPS and now the Department of Health for prioritising the illegal cigarette trade as a priority crime and for their efforts to curb this scourge. TISA will work with and support all relevant Government agencies in the implementation of the protocol. TISA also works with regional Governments and global bodies such as Interpol and the World Customs Organisation. This is in support of their efforts to curb the illicit trade in tobacco products,” adds Van der Merwe.

Reflecting the concern of the magnitude and nature of this illegal trade, outside of South Africa, Memoranda of Understanding (MoUs) have now been concluded between TISA and the Governments of Mozambique, Lesotho, Botswana, Namibia and Swaziland. The MoUs align the efforts of industry and governments to facilitate the sharing of information, within a legitimate framework amongst the parties in an effort to curb the growing tide of illegal trading in cigarettes.

“TISA firmly believes in a collaborative approach in combating illicit trade not only in South Africa, but across the Southern African region. The Protocol will go a long way in bringing together impacted stakeholders and we remain committed to working with all the relevant stakeholders in eliminating the illegal trade in tobacco products,” states Van der Merwe.

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