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BATSA starts legal proceedings to challenge the extended ban on tobacco sales

Cape Town, May 29 - British American Tobacco South Africa (BATSA) is today (May 29, 2020) commencing urgent legal proceedings to challenge the government's decision to extend the ban on tobacco sales during Level 3 of the COVID-19 Risk Adjusted Strategy.

BATSA is supported in this action by Japan Tobacco International (JTI) as well as groups and organisations representing the tobacco value chain across the country, including consumers, tobacco farmers and retailers.

BATSA has made every effort to constructively engage with the government since the ban came into force, including making detailed submissions, along with other interested parties, to various Ministers, as well as directly to the Presidency.

To date, no formal response has been received from the government, and BATSA has also not been included in any of the government's consultation processes so far.

BATSA has long argued that the banning of a legal product will have dire consequences - driving millions of smokers to the illicit market, robbing the government of much needed excise tax contributions, undercutting tobacco control regulations, encouraging criminal behaviour and threatening thousands of jobs. This position has been unequivocally supported by comprehensive independent analysis and studies by, amongst others, the University of Cape Town's REET unit. The Treasury is currently losing R35m of vitally required revenue in excise taxes every day that the ban on cigarette sales in South Africa continues.

Johnny Moloto, BATSA's Head of External Affairs said:

“As it currently stands, under Level 3, consumers will once again be able to buy all the products that have been restricted under levels 5 and 4 of the lockdown except for tobacco products.

“We have always stated our support for the government’s measures to put the country under lockdown in order to use the time to build up an extensive public health response and prepare our health system for the anticipated surge in infections. In his address to the nation on 13 May, the President stated that the lockdown had achieved this objective and the government would engage in consultations to prepare the country for a further easing of the lockdown and a gradual opening of the economy under alert Level 3.

“Government has instead decided to maintain the ban on tobacco products under the guise of limiting the spread of Covid-19 while allowing all other previously banned consumer products to go back on sale.

“Given the situation, and the lack of any response from the government despite our ongoing efforts to engage with them, we are now commencing urgent legal proceedings.

“The government’s continued ban on legal tobacco sales is threatening the survival of the legal tobacco sector and the livelihoods it directly supports. It has only succeeded in significantly growing a massive and nationwide illegal industry at the direct expense of law-abiding businesses, citizens and taxpayers.

“We are, or at least were prior to the lockdown, the largest manufacturer of tobacco products in the country and we owe it to our consumers, customers, suppliers and employees to do everything in our power to protect the legal tobacco trade in South Africa, and to get the prohibition of tobacco products lifted as a matter of urgency.”

ENDS

NOTE TO EDITORS:

- British American Tobacco South Africa (BAT South Africa) is a Proudly South African approved local tobacco manufacturer and a member of the South Africa Tobacco Transformation Alliance.
- BAT South Africa is a certified level 4 BBBEE contributor.
- We sell our cigarettes through 50,000 outlets including, but not limited to grocery stores, liquor shops, spazas, informal traders and fuel stations.



- In 2019, BAT South Africa contributed R13 billion in total taxes, of which R10 billion was tobacco excise.
- BAT South Africa procures 90% of the locally grown tobacco leaf supporting tens of thousands of farmers and their families across the provinces.
- BAT South Africa has directly contributed over R70 million in the Emerging Tobacco Farmers Initiative. The programme directly supports 150 black tobacco farmers in South Africa.
- BAT South Africa is the leading tobacco manufacturer in the country with 78% market share of the legal cigarette market.

