

Report on Supply Chain Compliance Volume 3, Number 17. September 03, 2020 South Africa's cigarette ban: A lesson in how not to create traceable supply chains

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The South African government imposed a [ban on cigarettes and alcohol](#)^[1] during the COVID-19 pandemic in an effort to mitigate risks to citizens' health and help prevent the spread of COVID-19. Unfortunately, according to a [study](#)^[2] by the Research Unit on the Economics of Excisable Products (REEP) at the University of Cape Town, illicit sales have boomed as smugglers fill the space created by the ban.

Private multinational cigarette companies, such as British American Tobacco South Africa, have taken the government to court in order to overturn the ban, yet they have also been implicated by journalists in being complicit in smuggling cigarettes into the country. World Health Organization (WHO) analysts also found that legitimate global cigarette companies are involved in [organized, illicit cigarette supply chains](#).^[3]

Indeed, the global cigarette trade suffers from compromised supply chains in which companies oversell to some countries and undersell to others in order to avoid paying taxes by smuggling cigarettes from oversaturated markets to less saturated markets. In South Africa, for example, cigarettes [allegedly enter the country from neighboring countries](#)^[4] through black market supply chains that shift excess product across borders without paying duties nor taxes.

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