

British American Tobacco South Africa proposes restructuring, 200 jobs at risk

By [Nqobile Dlodla](#)

16 Jan 2023

The South African arm of British American Tobacco (BAT) is looking to restructure the business, a process that may affect about 200 jobs, following a further decline in its cigarette sales in the country, it said on Monday, 16 January.



Source: Reuters/Dado Ruvic/Illustration/File Photo

The Dunhill and Peter Stuyvesant cigarette maker said the drop in cigarette sales in South Africa was almost entirely due to the growth of the illicit cigarette trade.

South Africa's "unconstitutional ban" on cigarette sales implemented during the national Covid-19 lockdown in 2020 also contributed, a company spokesperson said.

"The 2020 tobacco sales ban resulted in an explosion of growth for the illicit market. This has continued even after the ban on tobacco sales was lifted," the company said in a statement. During the lockdown, essential services retailers and petrol station forecourt stores were not allowed to sell alcohol or cigarettes.

40% drop in sales

BAT did not give details of how it would restructure its business or which jobs might be cut.

In 2019, BAT South Africa permanently employed around 1,800 staff across its South African operations. Since 2020, it has been forced to retrench more than 30% of its workforce, the company said.

Over the same period, the company's cigarette sales dropped by around 40% as the illicit market accelerated, it said.



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16 Nov 2022



Based on independent studies, BAT South Africa estimates that the illicit cigarette trade accounts for up to 70% of South Africa's total cigarette market.

As a result, the company has begun a consultation process with staff around restructuring the business and "it is expected that around 200 company jobs may be affected by the proposed restructure," the company said.

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