



The Food and Allied Workers' Union (F.A.W.U.) will be strongly campaigning against the illicit trade in tobacco, alcohol and other products as a result of the adverse effects it has on the industries in which our members operate. In addition to depriving the South African economy of revenue, it has led to thousands of job losses in the agricultural processing industry as companies tend to cut-down on labour. Our members in Heidelberg in Johannesburg provided testimony to this as the town is in danger of becoming a "ghost city " as job opportunities are becoming less , affecting many poor households.

Illicit trade in tobacco e.g. is regarded as a billion- dollar industry as it is the most popular smuggled product and is seen to be extremely profitable. The supply, distribution and sale of counterfeit or smuggled tobacco and alcohol bypass legislated taxation and poses serious health risks to consumers as well as these goods are not regulated by the manufacturer and relevant government departments. Some statistics from a few years ago indicate that our government has lost more than R27 billion due to tax evasion from illegal cigarettes alone.

The same effect can be seen in the illegal alcohol industry. These fake alcoholic products are consequently not regulated by the relevant authorities and thus not safe for human consumption. Unregulated goods make it extremely difficult for the government to cut down on counterfeit smugglers and products.

Some international reports found a link between higher tax levies on products and illicit trade of these goods. It appears that the more expensive a product becomes, the more likely it is to be smuggled as the latter are often so much cheaper than the original product that consumers are often "trapped" into these counterfeit goods and are unaware of the health risks it poses.

FAWU realises the devastating impact the illicit trade has on the economy, on the domestic agro-processing industry and more particularly, on our hard-working members who are being robbed of jobs. We feel compelled to raise awareness about the illicit trade of these goods and to demand government intervention. To this effect, the impending sugar tax announced last year is also of grave concern to us as we realise what the consequences might be.

It is in this light that we demand for proper consultation with labour and all relevant stakeholders before government makes decisions that leads to undesired consequences.

In the case of chicken dumping, we demand e.g. fair trade agreements and regulations on labelling of frozen chicken imported from other countries since sub-standard and questionable labelling many times confuses as to the origin and health standards of repackaged frozen chicken.

Illegal fishing also impacts on the job security of our members as it is often found that boats from other countries fish in our waters, compromising fishing rights and proper law enforcement.

FAWU sees all these issues as quite severe and detrimental to our members and the South African economy and will be intensifying these campaigns over the next two months by engaging with the government, SARS and the Department of Trade and Industry regarding our concerns and the consequences of illicit trade in the country. A protest march to Parliament and to SARS in Pretoria will be staged by FAWU.