

The Zimbabwean

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Savanna Tobacco, owned by Adam Molai, is being investigated by the South African Revenue Authority for allegedly smuggling cigarettes into South Africa.

According to SA sources, trucks full of cigarettes worth millions of dollars have been shipped into that country illegally, through official as well as undesignated crossing points, for resale in SA and beyond.

Established in 2004 as a locally registered company, Savanna Tobacco, of which Molai is the proprietor, has been manufacturing the **Pacific brand of cigarettes** targeted at the low end of the market through low pricing.

Sources told The Zimbabwean that Savanna was exporting the cigarettes illegally, using trucks allegedly owned by the logistical arm of British multinational Lonrho and railway wagons.

The sources also claimed that some of the cigarettes were being transported through unofficial exit points along the porous border between Zimbabwe and South Africa, with the connivance of customs officials and security officers, who are allegedly receiving bribes to facilitate the smuggling.

Cartons of cigarettes are allegedly hidden inside and underneath logs of timber being ferried by rail wagons across the border, making it laborious for customs officials to check for the contraband. In addition, the cigarettes are also transported using other hauliers who hide them under and between the goods they declare for clearance.

President Robert Mugabe has complained bitterly in the past that people are using his name to engage in illegal activities. Earlier this year he attacked the multinational giant British American Tobacco, accusing them of spying on Savanna and hijacking its trucks.

"If this is what you are doing in order to kill competition and you do it in a bad way, somebody will answer for it," Mugabe said. It is believed that Zimra and the local police are afraid to take action against Savanna because Molai is married to Mugabe's niece.

Sources did not rule out the possibility of Savanna's vendors also taking part in the illicit expatriation of the cigarettes in a racket that is costing both the Zimbabwe and South African governments millions in lost tax revenue.

The **Pacific cigarettes** are reported to have inundated the SA market, where they are sold on the streets at cut-throat prices of between R8 – R11 for 10 or R1.50 each. The racket is said to be causing headaches among South Africa's law enforcement agents. The smugglers target low income buyers in South Africa, among them thousands of Zimbabwean migrants who find the highly priced South African cigarettes unaffordable.

Savanna is said to control about 10 percent of the market in South Africa and the cigarettes are understood to be most common in Cape Town, even though the brand is spreading.

Millions of Pacific cigarettes have been forfeited in several busts in the past at the Plumtree and Beitbridge border posts as well as within South Africa. A recent report by the government-controlled Sunday Mail claimed that about 90 percent of the trucks that passed through the ports on a daily basis did not undergo proper searches.

“Zimra does not have 100 percent capacity to do total examination of trucks coming into the country. We can only manage 52 percent,” Adrian Swarres, the Zimbabwe Revenue Authority (Zimra) head of compliance and risk, told a business meeting some three weeks ago.

This has raised the fear that the truckers are taking advantage of the lax checking systems to smuggle goods.

Savanna has offices in Johannesburg that are reported to be facilitating marketing of the cigarettes produced in Zimbabwe. A staffer at the South African branch office, who identified herself as Lebo, promised to help the country office respond to questions sent last week, but that had not happened at the time of going to print.

A staffer at the Zimbabwean company’s marketing department, identified as Gerald, also had not responded to questions sent to him. There have been numerous allegations that Savanna has been involved in the racket worth more than \$50 million over the years – but the company has steadfastly denied all the allegations.

It claimed that the accusations were made by rival companies who wanted to push Savanna out of business.