

## CGCSA SAYS NATIONAL ILLICIT DISRUPTION PROGRAMME KEY TO PROTECTING JOBS, REVENUE AND CONSUMER SAFETY

Johannesburg, 13 February 2026 - The Consumer Goods Council of South Africa (CGCSA) welcomes the establishment of the National Illicit Disruption Programme announced by President Cyril Ramaphosa during his State of the Nation Address (SONA), calling it a decisive intervention against South Africa's escalating illicit economy. This scourge is draining as much as R100 billion in lost state revenue annually, undermining legitimate industries and endangering public health.

CGCSA notes that the programme's success will depend on a coordinated approach by various stakeholders, including the use of digital passports, data analytics, and stronger law enforcement. The illicit economy is eroding South Africa's economy and destroying legitimate industries. The planned closure of BAT's Heidelberg factory, threatening 35,000 jobs, is a stark warning. This is not just lost revenue, it is livelihoods, public safety, and national stability under attack. The National Illicit Disruption Programme is the wake-up call the country needs and a positive response to a scourge which has become a national crisis, one that must be pursued with the same urgency and coordination as Operation Vulindlela. Collaboration across government, law enforcement, labour unions, and the business sector is essential to protect citizens from unsafe counterfeit goods and to restore fiscal stability.

In partnership with more than 20 industry associations, the CGCSA has launched Illicit Economy Task Forces to press for urgent interventions from Government, Parliament and the collective Nedlac social partners. These Task Forces, that include brand owners, retailers, manufacturers, logistics providers and leaders across multiple sectors, are mobilising to advance a secure and legitimate South African economy. Yet business cannot do this alone.

The effectiveness of these efforts depends on the Nedlac social partners collectively driving enforcement, aligning policy and closing systemic gaps. Only through genuine multi-stakeholder collaboration and decisive action can South Africa safeguard national revenue, protect jobs across industries, strengthen economic resilience and restore competitiveness in the global marketplace.

CGCSA further calls on South Africa to adopt GS1 standards as a cornerstone of the fight against the illicit economy. Globally recognised and trusted, GS1 standards are already embedded across

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supply chains in more than 120 countries, where they serve as the backbone of traceability, transparency and enforcement.

By enabling unique product identification, standardised data capture and interoperable information sharing, GS1 standards empower regulators, law enforcement and businesses alike to close loopholes exploited by illicit operators.

They strengthen enforcement through data-driven monitoring and analytics, protect consumers by verifying the authenticity and safety of goods and secure fiscal revenue by ensuring legitimate trade flows are visible and accountable. Drawing on this proven global experience, South Africa is well-positioned to leverage GS1 standards as part of a coordinated national response, aligning with international best practice, protecting legitimate industries and restoring trust in the marketplace.

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#### About GS1 South Africa

GS1 South Africa NPC (GS1 SA) is a Member Organisation (MO) of GS1, the international non-profit association of member organisations dedicated to developing and maintaining a global, multi-industry identification and communication system known as the GS1 System.

The GS1 System provides internationally recognised, user-driven standards that enable the unique identification, accurate capture and seamless sharing of information about products, services, locations, documents and assets. These standards are widely adopted across industries to improve efficiency, transparency and trust in supply chains and marketplaces worldwide.