



BRITISH AMERICAN TOBACCO'S MULTIBILLION-RAND CONTRIBUTION TO THE SA ECONOMY

Johannesburg, 15 November 2016 - A study by independent analysts Quantec Research has highlighted the significant economic contribution that BAT South Africa makes to national economy, demonstrating the scale of the company's direct impact as well as that of its wider value chain.

According to Quantec Research, BAT South Africa's total contribution to South Africa's gross domestic product (GDP) is an estimated R18.4 billion, equivalent to 0.52% of the country's entire GDP. The company employs over 2,100 people, bought goods and services worth R6 billion from local suppliers and generated R14.5 billion in tax revenues.

However, this initial contribution is only a fraction of the company's economy-wide impact, as CEO Soraya Zoueihid said: "BAT South Africa is responsible for supporting over 72,000 jobs across the country in various sectors, including retail, agriculture, businesses services, manufacturing and transportation. The majority of these jobs are within small businesses and over 86% of people are black South Africans".

"We're very proud of our significant contribution to the South African economy", said Zoueihid. "We buy over 90% of all locally-grown tobacco leaf, worth some R550 million, which supports around 5,800 farming jobs. And with over 179,000 spazas, house-shops, taverns and convenience stores deriving an income from the sale of our products, we help sustain over 25,000 jobs in the retail sector".

For every one job offered by BAT South Africa, 32 additional jobs are created across the wider economy. Of the company's total tax contribution, excise duties account for R10.2 billion, which represents 27% of all excise tax collected in South Africa.

As Zoueihid explains: "We have a long history here in South Africa and while manufacturing and local tobacco is more expensive than elsewhere in the region, we are committed to sustaining this presence for as long as possible".

Said Zoueihid: "While tobacco can be a polarising subject, we sell a legal product and as this report shows, BAT South Africa helps sustain tens of thousands of jobs and generate billions of rand in

desperately-needed tax revenues. We can and should play a part in helping South Africa deliver its national priorities of economic growth, job creation and social inclusion.”

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BAT South Africa economic impact 2015 – At a glance				
Impact area	Direct / first round	Economy-wide	Multiplier	% of SA total
Employment contribution (people)	31,458	72,279	32	0.64
Total tax contribution (Rand, billion)	14.49	18.34	-	1.52
Excise tax contribution (Rand, billion)	10.17	-	-	27.89%
Output (Rand, billion)	6.06	34.26	-	
Contribution to GDP (Rand, billion)	-	18.39	1.54	0.52%

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