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South Africa Plans Smartphone Checks for Alcohol and Cigarettes

Government officials say the track-and-trace system could help curb illicit trade that drains billions from the economy each year.

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South Africa’s government is considering a track-and-trace system that would let consumers scan alcohol, cigarettes and medicines with a smartphone to check whether the products are legitimate, in a move aimed at curbing illicit trade that officials say is draining about R100 billion from the economy each year.

Johnstone Makhubu, the new commissioner of the South African Revenue Service, told Parliament's Standing Committee on Finance that the revenue agency and the National Consumer Commission are working on the system, which could be rolled out in 2026. The proposal would cover beer and other alcoholic drinks as well as tobacco products and medicines.

Under the plan, each product would carry a unique code, such as a barcode or QR code, that could be scanned by consumers or inspectors. The scan would show whether an item was made locally or imported, and if imported, who brought it into the country and when. Officials say the goal is to make it harder for counterfeit and untaxed goods to move through retail channels.

The issue is especially acute in tobacco. SARS estimates that illicit cigarettes now account for more than 60% of sales in South Africa, a level that has raised concern among tax officials and public health advocates. The broader illicit trade problem has also affected alcohol and medicines, where fake or diverted products can undercut legal businesses and expose consumers to unsafe goods.

Corné van Walbeek, a professor at the University of Cape Town's School of Economics and director of the Research Unit on the Economics of Excisable Products, said similar systems are already used in countries including Kenya and Turkey. He said track-and-trace tools are now familiar to many consumers through parcel tracking and product recalls, where companies follow goods through the supply chain or trace them back to the source when something goes wrong.

Van Walbeek said the system does not depend entirely on consumers taking part. Government inspectors could also scan products in shops to check whether they are legitimate. He described the proposal as an effort to respond to a problem that existing enforcement measures have not been able to solve.

The plan comes as South Africa faces pressure to strengthen tax collection and tighten control over excisable goods. For beer producers, cigarette makers and pharmaceutical companies operating legally, a functioning track-and-trace system could change how products are monitored from factory to shelf, while giving authorities another tool to identify illicit stock before it reaches buyers.