

Philip Morris SA's local investment climbs to R650m since 2017

Tobacco company Philip Morris South Africa (PMSA) says its local investments will exceed R650 million by 2020, as it expands the footprint of IQOS, a device that heats tobacco instead of burning it, nationally.



IQOS 3 Duo

“Despite challenging economic conditions, we’re investing to bring better, smoke-free alternatives to South Africa’s 10 million adult smokers. Our total investment from 2017 to 2020 will exceed R650 million and we plan to continue investing in the years to come. This underlines our ongoing commitment to the South African economy,” says Marcelo Nico, PMSA’s managing director.

The company says it has opened 26 new IQOS retail stores since launching in South Africa in April 2017, with 15 of these being opened in 2019 alone.

Existing stores are concentrated in the major shopping malls of Cape Town, Durban and Gauteng. The company opened its first store at the V&A Waterfront in 2018. In June this year, the IQOS flagship store opened for trading [in Sandton City](#). It also opened kiosks in Gateway Mall in Umhlanga and Maponya Mall in Soweto.

Nico says PMSA has prioritised local service providers and will continue to do so as it expands. He adds that the retail stores are designed to provide adult smokers “with an immersive experience that showcases the product’s science and how it differs from cigarettes and vapes”.

Globally, Philip Morris International (PMI) has publicly announced its intention to replace cigarettes with smoke-free alternatives as soon as possible. The company classifies IQOS as a heated tobacco product or a smoke-free product since it doesn’t burn tobacco and produces no smoke. “It’s a product for adult smokers who would otherwise continue smoking cigarettes,” explains Nico.

Earlier this year, PMSA introduced an IQOS subscription option enabling consumers to pay off the device over the course of a year for around R80 per month. Nico states that this to ensure that the device cost isn’t a barrier to choosing a better alternative to cigarettes.

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