

Liquor traders, restaurants plead with govt to lift alcohol ban

Industry bodies representing South Africa's alcohol and restaurant industries have shared the letter they sent to President Cyril Ramaphosa on Tuesday night, which requests a meeting with him and for the sale of liquor to resume based on a set of conditions to be agreed by both parties at the proposed meeting.



Credit: Valeria Boltneva from Pexels

Jointly penned by representatives from the the National Liquor Traders Council (NLTC), Liquor Traders Association of South Africa (LTASA), Restaurant Association of South Africa (RISA) and Business Leadership South Africa (BLSA), the industry bodies combined represent more 90,000 liquor traders, including restaurants.

The letter precedes the restaurant industry's 'million seats on the streets' protest taking place on Wednesday, in which hundreds of eateries, coffee shops and takeaway establishments countrywide will be protesting the Covid-19 restrictions on trade.

Read the full email below:

Dear Honourable President,

The recent ten-week alcohol ban and the current alcohol suspension has had a devastating impact on the livelihoods of our members and their families. We hereby request that our associations be permitted to partner with Government to find solutions to the negative impact of the irresponsible consumption of alcohol on society.

In the meantime, we humbly ask that the alcohol suspension be lifted in order to save the livelihoods of our members and the nearly 1,000,000 South Africans who depend on the industry for their income.

1. On 12 July 2020 the sale of alcohol in South Africa was suspended again, having already been suspended for 66 days from 26 March to 31 May 2020.

2. We write to you as National Liquor Traders Council (NLTC), Liquor Traders Association of South Africa (LTASA), Restaurant Association of South Africa (RASA) and Business Leadership South Africa (BLSA) on behalf of:

a. Our members who are the main breadwinners in their households.

b. The people who are the most vulnerable to the devastating impact of this suspension:

i. The 34,500 licenced tavern owners and their more than 200,000 dependents.

ii. The 10,000 shebeen permit holders and their dependents

iii. The 2,700 independent liquor store owners, their 25,000 employees and their over 70,000 dependents

iv. The 7,000 restaurant owners, their 250,000 employees and their dependents

c. The nearly one million South Africans who rely on the alcohol industry for their income and hence their survival, many of whom now face an uncertain future with job losses inevitable.



Liquor losses make for a sobering situation

Nielsen 22 Jul 2020



3. We urgently seek consultation and collaboration with you Mr President. Together, we seek to ensure that the enormous fiscal contribution of the alcohol industry to South African livelihoods and GDP, as well as the benefits the majority of people enjoy from responsible consumption, far outweigh the negative impact and harm it can cause due to the irresponsible consumption by a minority.

4. We acknowledge that the irresponsible or excessive consumption of alcohol can have a negative impact on people's lives. Our pledge to you and your leadership is that leaders in our industry want to work with leaders in Government to find solutions to minimise the harmful effects of over-consumption.

5. We respect that our Government is dealing with an unprecedented viral pandemic that risks the lives of many South Africans. However, by suspending the sale of alcohol, you are choosing to destroy hundreds of thousands of South African livelihoods at a moment in time that we should be doing everything possible to protect every potential household income.

6. For every month that alcohol is suspended, our Government loses approximately R4.2bn in excise duty and VAT (the previous 10-week suspension has potentially cost over R10 billion in lost revenue). It is worth comparing this lost monthly revenue to the total amount donated to the Solidarity Fund of R2.86bn since its inception four and a half months ago.

7. The legal alcohol industry that complies with regulation and contributes the above mentioned excise duty to Government is being replaced by a criminal, illicit alcohol trade that doesn't contribute to the fiscus and increases criminality.

Alcohol industry applies for deferment of R5bn in excise tax

20 Jul 2020





8. The lost opportunity of this enormous potential income is devastating. Imagine the number of small businesses that could be supported, the hospital beds that could be funded or indeed the number of people that could be fed as hunger grips our nation.

9. "It is the worst amount of hunger in the 28 years of the Gift of the Givers. Calls from people in need were coming from those employed in industries in distress," said Dr Imtiaz Sooliman (founder).

10. Gift of the Givers has delivered R100mworth of food supplies in four months since 15 March 2020. The Government loses R140m in excise duty and VAT revenue per day of the alcohol suspension.

11. "There is no doubt in our mind that we will prevail. That is because South Africans have come together like never before to wage the struggle against this virus." (President Cyril Ramaphosa).

12. Honorable President, please allow leaders in the South African liquor industry to come together with Government like never before to wage the struggle against the harmful effects of excessive alcohol consumption. There is no doubt in our minds that we will prevail. In the meantime, there is no need to shut down another industry and condemn hundreds of thousands of vulnerable South Africans to poverty and hunger. No need Sir.

Please lift the suspension on the sale of liquor and save a million livelihoods.

13. Mr. President, we, together with other leaders in our industry, respectfully request a meeting with you and the appropriate members of your leadership, to discuss the contents of this letter and to specifically:

- i. Obtain clarity on how long the alcohol suspension will remain in place.
- ii. Clarify conditions under which the lifting of the alcohol suspension will occur.
- iii. Initiate an alcohol industry and Government program that will define how we work together to help solve the negative impact that irresponsible alcohol consumption can have.

14. The current ban on alcohol is devastating to our small businesses and we respectfully ask that you enable a meeting at your very earliest convenience.

Sincerely,

Lucky Ntimane, convener: NLTC
Sean Robinson, chairperson: LTASA
Wendy Alberts, CEO: RASA
Busi Mavuso, CEO: BLSA
Winston Hector, chairperson: NLTC