

Don't ban-boozle us

By [TJ Strydom](#)

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A ban on alcohol advertising would cost nearly 12,000 jobs and almost R1.8bn in tax revenue.



Health Minister Aaron Motsoaledi has been vocal in his opposition to alcohol advertising, but have all the implications around banning it been properly considered?
(Image: GCIS)

Sports teams, charities and the arts would lose sponsorships totalling about R322m a year, according to research released by Econometrix this week.

Moreover, when the beer billboards have been torn down and the whisky ads at the movies scrapped, it might all have made little difference in the fight against alcohol abuse.

Econometrix senior economist Rob Jeffrey said his research revealed that there was no statistical relationship in South Africa between advertising expenditure and the consumption of alcohol.

He predicted that the proposed ban would have a "severe negative effect on the economy".

A new draft of last year's Control of the Marketing of Alcoholic Beverages Bill is currently crawling through the system.

Health Minister Aaron Motsoaledi has been vocal in his opposition to alcohol advertising.

In April he promised to present the draft legislation to parliament within a week.

No certainty

But the bill has not been published, leaving the alcohol industry in a state of uncertainty.

Adrian Botha, director of the Industry Association for Responsible Alcohol Use, said alcoholic beverage producers were waiting for the new bill to surface to see if the Department of Health was still intent on imposing an outright ban on alcohol advertising.

"We don't know where in the process they are now," said Botha.

Health Department spokesman Joe Maila would say only that the bill was "still within government processes".

While waiting to be told about what was on the legislative table, the Industry Association for Responsible Alcohol Use commissioned Econometrix to research the effects of an advertising ban.

According to Jeffrey, the direct cost of alcohol abuse to the economy is estimated at R37.9bn.

A ban on alcohol advertising would shrink the economy by about 0.28% (R7.4bn), according to Econometrix.

However, it is expected that the sacrifice would have a "negligible impact" on alcohol abuse, the company said.

The Times reported in April that:

- 130 people die every day in South Africa because of alcohol abuse. Causes of deaths include road accidents, liver disease, cancer and HIV (because alcohol use leads to risky sexual behaviour); and
- The World Health Organisation estimates that lifestyle diseases will become the biggest killer and health expense by 2020 worldwide.

An ad ban will grow the illegal, unbranded liquor sector

Most alcohol abuse takes place in the illegal and unbranded liquor sector, said Jeffrey.

According to the WHO, more than a quarter of all alcohol consumed in South Africa is "unrecorded", that is, produced, distributed and sold outside formal, regulated channels.

This part of the sector would grow if an advertising ban went through, said Jeffrey, and the ban would cost the government much-needed tax revenue.

Jeffrey said a total ban on advertising, sponsorships and the promotion of alcohol use, as proposed by the Health Department, would probably reduce above-the-line advertising expenditure and sponsorships to almost zero but increase below-the-line expenditure and promotions.

Below-the-line expenditure could include indirect commercials and the use of social media.

Time to party

Themed parties, give-aways, and other promotions could become more common, as they did in the wake of the ban on tobacco advertising.

"From an economic point of view, it is bad to ban advertising. It curbs competition because a new guy won't be able to enter the market. Eventually it will result in higher prices," Jeffrey said.

The spokesman for beverage company Brandhouse, Sibani Mngadi, said spending on advertising was the only way to get into a market largely controlled by the behemoth brewer SABMiller.

"We wouldn't have been able to grow our market share if we didn't have access to advertising," he said.

In an attempt to reduce lifestyle diseases, Motsoaledi has signed into law regulations to reduce salt in bread - by 2017 - and has banned trans fats from food.

Source: The Times, via I-Net Bridge

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