

Alcohol industry recovery - glass half full

 By [Michael Smollan](#)

4 Feb 2021

With the brakes applied in lockdown and a nationwide ban on alcohol spilling over into the New Year, letting your hair down flamed by one's favourite tipples was turned on its head as spare rooms, car boots and garden sheds were hastily converted as 'stocking up' was adopted overnight as a national pastime.



©Cathy Yeulet via [123RF](#)

Pineapple and yeast concoctions and moonshine mixer jokes aside, the stark reality was seeing an industry that supports over one million livelihoods across farming, retail, manufacturing, logistics and SMME bases pushed to breaking point due to trade suspensions. News from the Presidency this week lifting the ban on alcohol provides much-needed relief for this sector as it opens up, undoubtedly counting the economic cost for a long time to come.

Seeing the fall out has been dramatic. South African Breweries (SAB) a stalwart in the industry, announced last month that they were forced to cancel a further R2.5bn of capital investment bringing the cancelled investments since alcohol sales were banned, to R5bn.

In an *IOL Business Report* Hellen Ndlovu, director of regulatory and public policy at SAB, laid bare the figures of an industry that contributes R173bn to the country's GDP, which lost R21bn in revenue during the first two bans in 2020 and 165,000 jobs losses across the chain.

SA's problematic relationship with alcohol

At the same time, the debate as to how we deal with our attitudes around alcohol in South Africa is long overdue, with a tip ratio that needs to find a level playing field. When we celebrate in our homes, in bars and restaurants and at social gatherings, the general view seems to be one of a symbiotic nature, that equates having a great time with a beverage in hand, almost as if you can't have a good time without it.

When you see pictures posted of the country's largest hospital, Chris Hani Baragwanath reporting no trauma patients on New Year's Eve for the first time ever, one has to surely pause, reset and engage.

A dramatic drop in alcohol-related admissions from car accidents to gender-based violence and related crimes proved the importance of having the ban in place to keep the focus on managing the virus and not burdening an already overwhelmed healthcare system. If alcohol-related trauma cases interfere with efforts to combat the virus, one has to assume that the booze ban could be back in effect.



Alcohol industry welcomes easing of ban, pleads for transparency

2 Feb 2021



So where to from here? While the wine industry, breweries, liquor stores and restaurants will be rejoicing as restrictions on trade are lifted, surely, we have to emerge with lessons learnt and a more committed approach as to how we treat alcohol and the consumption thereof.

The question that needs to be answered is how the industry trades again while at the same time finding a long-term solution to encourage responsible drinking. Undoubtedly it is going to be incredibly hard to switch such an ingrained narrative unless communities, individual households, retailers, and government is committed and mobilised to make the change.

Chief executive of the Gauteng Liquor Board Raymond Martin, addressing a liquor traders' seminar, encouraged members to put measures in place around responsible drinking saying, "These sessions should not be about ticking boxes of targets met. When you go back to your communities there must be an impact." Noble sentiments but who will manage the checks and balances?

Currently, legislation around zero tolerance to drinking and driving has been closed for comment and is seemingly on its way to being passed into law. Initiatives around increasing the price of alcohol on those with a higher alcoholic percentage, raising the drinking age to 21, no alcohol advertising on social and small media and a liability clause for alcohol sellers, are all under review on the directive of President Ramaphosa.

The conversation is long overdue in terms of accountability, one that touches each and every South African. As the ban is lifted, a much-needed recovery in every sense of the word will be required going forward.

ABOUT MICHAEL SMOLLAN

Mike Smollan is Chief Growth and Innovation Officer at Smollan.

- 5 trends influencing the retail landscape - 19 Sep 2022
- Social commerce - from content to commerce - 4 Jul 2022
- #BizTrends2021: Trend check - looking back and facing forward - 3 Aug 2021
- Fresh food deliveries a competitive advantage for retailers - 10 Jun 2021
- Why retailers should be given a shot at the vaccine rollout - 16 Mar 2021

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>