Booze ad ban will have dire outcomes

By Nomaswazi Nkosi, Health Reporter

21 May 2014

Banning alcohol advertising will not reduce alcohol abuse in South Africa.



Robert Jeffrey: "Alcohol advertising is not a significant factor in determining consumption and has little or no effect on alcohol consumption per capita in South Africa." (Image: Wikimedia Commons)

Macro-economic consultancy Econometrix managing director and senior economist Robert Jeffrey said there was no statistical relationship between advertising expenditure and alcohol consumption in South Africa.

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

Last week, the Treasury released a discussion document titled *The Review of the Taxation of Alcoholic Beverages in South Africa* for public comment.

The document explores "marketing messages and promotions" and their possible role in alcohol abuse.

"Reducing the impact of marketing, particularly on young people and adolescents, is an important consideration in reducing harmful use of alcohol," the document states.

"Marketing in the alcohol industry is also extremely creative in its attempt to increase the net of consumers reached."

But Jeffrey disputed it.

"Qualitative and quantitative research by Econometrix shows that alcohol advertising is not a significant factor in determining consumption and has little or no effect on alcohol consumption per capita in South Africa."

He said there is also very little scientific evidence that advertising influences attitudes of young people.

A total ban of advertising, sponsorship and promotion will most likely reduce the above-the-line expenditure and sponsorships to almost zero, Jeffrey said.

The document said the economic contribution of the alcoholic beverages sector for the year 2009/10 was estimated at R73bn, or 2.9% of South Africa's gross domestic production (GDP). The sector sustained an estimated total of 522,533 employment opportunities.

Jeffrey said jobs would be lost and income tax [revenue income to SARS] would decrease.

Lerato Moleko, brand strategist for W5 Partners who have experience in alcohol beverage marketing, said banning or reducing advertising of alcohol would not work.

"If you consider what happened to cigarettes, it did not work," he said

People would be curious regardless of a ban, and if alcohol advertising was banned, people would continue to drink, Moleko said.

"Certain industries would lose out on a large amount of money, but our jobs would just become more complex because we cannot use general mass media ... if you look at cigarettes, they are still advertised on kiosks and they are doing very well," he said.

Download the discussion document *The Review of the Taxation of Alcoholic Beverages in South Africa*

Source: *Sowetan*, via I-Net Bridge

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